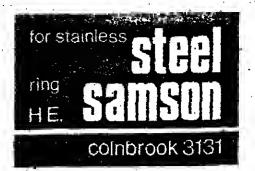
CONTINENTAL SELLING PRICES: AUSTRIA Sch 16: BELGIUM F: 25; DENMARK Kr. S.B.; FRANCE F: 3.5; GERMANY DM 2.0; NYALY L 800; NETHERLANDS FI 2.0; NORWAY, Kr. 3.5; PORTUGAL BIG 25; SPAIN PIA 50; SWEDEN Kr 3.25; SWITZERLAND FI 2.0; EIRE 200

Monday May 21 1979



Swiss agree

NEWS SUMMARY

BUSINESS

Tories

boost

consumer

• CONSERVATIVE

confidence

victory bas given a boost to the FT index of consumer

confidence. In May, it jumped 10 points to show a positive

value for the first time in over

● GOVERNMENT is believed

to be considering a new index which would be published along-

side the Retail Prices Index

and would show changes in dis-posable income as well as in

• INDUSTRY Secretary Sir Kelth Joseph is expected to

decide shortly whether £5m State aid should be mada avail-

able over three years to rescue

the Wheal Jane tin mine in Corn-

ATTEMPTS by the Govern-

ment to restrict public sector

wages inorder to enforce a back-

door incomes policy would meet with bostility from the unions, David Basnett, general secretary of the General and Municipal

ENGINEERING Employers

Federation has suggested that a

cut in State aid to strikers would

belp unions gain firmer control

over their members and over unofficial action. Page 4

ICI bas put forward tentative

proposals on the introduction o

microprocessors to its white

collar unions. Page 4

Accountance

plea rejected

SEVERAL large City account-ing firms have called on the London Stock Exchange to play

a more active role in the en

forcement of accounting stand-

ards on quoted companies. But

the Exchange has replied that the issue is "irrelevant." Back

• FUTURE of small co-operative

retail stores will be one of the

main issues discussed at the Co-

operative Union's annual Con-

gress in Eastbourne next week.

• TRADING STAMPS are the

least popular method of in-

fluencing consumers' choice of

shop, according to a survey by the Institute of Grocery Distri-

● HONG KONG had a trade deficit of HK\$3.2bn (£308.6m) in the first quarter of this year,

to

• FRANK B. HALL, one of the

largest U.S. insurance brokers, has disclosed details in its latest

accounts of a \$13m out-of-court

settlement which it has made to the Unigard Mutual Insurance

Company. The dispute con-cerned Hall'a role as aviation

reinsurance brokers for Unigard.

PETRO CANADA, Canada's

national oil company, is close to signing two long-term pur-

chase agreements in Latin America as the country turns

as more secure than those in the Middle East. Page 3

SPILLERS chairman Michae

Vernon is confident of continued progress this year, and says the

food and flour group is planning to spend more than £20m on improving and expanding exist-

ing businesses. Page 18 and Lex

bureaucratic intervention bave extensive

developments at bome or abroad

by Hammerson Property and

Investment Trust, according to

Mason,

ECONOMIC climate and

Spillers to

expand

Western sources regarded

Government

bution. Page 6

ccording

Vorkers' Union, warned.

prices. Back Page

wall. Back Page

Rhodesia strategy talks today

The Foreign Ministers of Britain and the U.S. open crucial talks in London today to determine whether a basis exists for a joint strategy on Rhodesia. The talks will be beld amid

growing pressure for the lift-ing of sanctions.

If will be the first meeting between Lord Carrington, the Foreign Secretary, and Mr. Cyrus Vance, U.S. Secretary of State since the Consequations State, since the Conservatives came to power, and tha two will also discuss the SALT treaty and the Middle East. Back Page; Editorial comment, Page 16

Cyprus move

. c... P. ... 3 8

计 不知道语

er ich be

525

Greek Cypriot and Turkish Cypriot leaders agreed to resume peace talks after a two-year break. Back and Page 17

Five die in blaze Five elderly people, four of them women, died in a blaze at a private nursing home in Sut-ton Coldfield, West Midlands.

RUC man killed

An RUC reservist was shot dead in front of his son and daughter as they walked to church in Londonderry. Two gunmen drew np in a car and fired from close

Hospitals threat

The National Union of Public Employees says it will withdraw all hospital services from National Health Service private patients from next January unless a date is given for the removal of pay beds, Page 4

Britons freed

Two British businessmen werefreed after arrest in south west Iran, suspected of ties with the Shah's Savak secret police. George Flint, 57, and Michael Mottram, 35, were arrested as they left the oil town of Ahwaz.

Iran demo

About 100,000 Iranians demonstrated in Tehran against censorship and called for free speech. The rally was organised by the Liberal National Democratic Front Page 2

Centrists ahead

The Government-backed Centrist list, beaded by Health Minister Simone Viel, would win 35 per cent of the vote if direct European elections were held in France now, according to a

Ransom demand

Terrorists holding two British bankers in El Salvador have dropped a ransom condition demanding the release of political prisoners, but they still want cash ransom of about £5m.

Bees and queues Phousands of masonry bees rested after hibernation, have started again to eat through a Nothingham home: The insects queue up to nibble the masoury, and last summer caused £2,000

والمنتشق تتنان الدائدة

THE THE BEST

Two soldiers were killed when their paracbutes becama entangled in an exercise over Salisbury Plain

when two walls

Israel's new Ambassador to Britain will be Shlomo Argov. the former Ambassador to Moscow and The Hague, and Consul General in New York. Cosmas Desmond has been appointed director of the British section of Amnesty International, succeeding David

eph Papp hopes to present hit musical "A Chorus Line" in Moscow and Lenin-

Nine people died and 15 were in a gas leak in Fujieda, Japan,

- CONTENTS

Menagement
Menagement
Money & Echanges
O'seas Neve
Perly, Diary
Racine

Sydney Page 18

death penalty 14 Editorial comment:

Businessman's Dry. UK Comp'ny News

World finance: a bigger role Lombard: M. Rutherford for New York 16 on the case for Latin ... 14 Cyprus: the search for a Lex: ICI; the gilt-edged solution continues 17 market 32

Justinian: New debate on Surveys: World Banking

16-page pull-out

Refurbishing and Renova-Rhodesia; NATO 16 tion 23-27

> World Econ. Ind.... World Trade News World Itsue lews 5
> OFFER FOR SALE
> B & Q [Retail] ... 11-13
> Bank of England
> Treesury stock... 6
> ANRUAL STATEMENTS
> Resurborne Highs 18

PROSPECTUSES

For latest Share Index 'phone 01-248 8026

Pressure grows on consuming nations to cut their oil use

By KEVIN DONE, ENERGY CORRESPONDENT

Pressure is growing on the world's major oil-consuming countries, meeting in Paris today, to take stronger action to cut their consumption in the face of rapidly increasing prices and a continuing shortfall in world supply.

ised countries must go beyond their original pledge in March to cut oil consumption by 5 per

Kuwait, one of the larger producers in the Organisation of Petroleum Exporting Countries, yesterday raised its crude oil price by another 60 cents a barrel-its fourth increase this year. It is now charging \$16.40 a barrel for its main exported crude oil—a rise of 34 per cent since the end of last year.

Initiative Kuwait accounts for about 5 per cent of OPEC production. Its latest increase means that more than a third of OPEC output has now adopted the higher surcharges that were imposed in a series of rises sparked off by Iran 10 days ago. Iran's initiative bas now been followed by Venezuela, Libya, Abu Dhabi and Kuwait. Together, thesa five countries produce nearly 12m barrels a day of the total OPEC production of some 30m barrels a day. World demand, outside the Communist countries, is running at about 52m barrels a day. Ecuador, one of the smallest OPEC producers with an ontput of some 240,000 barrels a day, has also warned that its term

contract price will be raised to \$25 a barrel in June. The price already stands at \$20.36 a barrel OPEC member. - Ecuador's State oil company

Only a very small part of world crude oil trade—perhaps less than 1 per cent at the moment—is conducted on the spot market, but prices quoted in recent isolated deals bave risen

One London oil trader reported the sale to a large international oil company of a cargo of mixed Iranian light and baavy crude for loading in early June at the price of \$32-\$33 a barrel.

Meanwhile, a growing number of oil companies have been told so far appear mainly to bave hit Japanese buyers, but other companies are understood to be affected, including Ashland Oil of the US. At the same time, Iran is trying to sign more supply contracts with other oil companies, not yet using Iranian crude.

In the face of pressure on both prices and supplies, the main oil-consuming countries who make np tha 20 members of the International Energy Agency, agreed in March to cut demand by 5 per cent. So far their achievements

bave not been impressive. Energy Ministers from the IEA countries meet today in Paris.

to go beyond their previous a gallon. CEPE—said it bad sold a pledge of cutting oil con Japan faces reduction in Iran small cargo of 50,000 tons last sumption by 5 per cent supplies, Page 3

The U.S. Department of week at the spot price of \$29.16. But the U.S. is understood to Energy believes the industrialThe buyer was Coral Petroleum, have no new proposals to make.

Instead, it is likely to concentrate on showing that it is moving towards meeting its existing goal of cutting consumption by 5 per cent, or close to 1m barrels a day, by the end of the

> rationing that have resulted in many parts of the U.S. have belped to damp down American oil consumption in recent

Figures released by the U.S. Department average oil consumption in the last four weeks at 17.5m barrels by Iran that their supply con- a day—about 2.3 per cent below tracts, which were agreed only the level a year ago. Petrol a few weegs ago, are to be cut consumption is 3.4 per cent by 15 per cent. The reductions lower than a year ago.

Shortfall

The shortfall of oil supplies has hit some countries more seriously than others, and the IEA could well be asked this week to trigger selectively its emergency sharing mechanism for particular products to ease availability in countries such as Sweden and New Zealand. In the UK, some of the smaller oil companies are becoming in-creasing anxious for the Government to take a lead in cutting consumption of the

lighter oil products. Several British oil companies are likely to announce further to review progress.

According to U.S. Department weak, which could take the of Energy inficials, the in weaks which could take the dustrialised countries now need four-state petrol up to 94p.95p.

Barnett going to back benches

by Elinor Goodman, Lobby Staff

TWO OF Labour's most experi enced economic advisers may be missing from Mr. James Callaghan's front bench team in

Mr. Joel Barnett, Chief Secre tary at the Treasury for the past five years, has decided not to stand in next month's ballot of Labour MPs for the shadow

There is also some doubt over whether Mr. Harold Lever, the former Chancellor of the Duchy of Lancaster and one of the few senior Labour MPs with a working knowledge of tha City, will be prepared to serve in the shadow cabinet.

Mr. Barnett has indicated to colleagues that be would prefer to stay on the back benches while in Opposition. He may, bowever, continue to wield considerable influence and is being mentioned as successor to Mr. Edward dn Cann as chairman of the all-party Public Accounts Committee.

The committee bas the job of monitoring public spending. Its chairman is an Opposition MP, not necessarily a back-bencher. It seems likely that if Mr. Barnett is put forward for the job, his appointment would be welcomed by Tories for his inside knowledge of how the Treasury works.

Mr. Lever is apparently in two minds about accepting a shadow job if one is offered. There is also a question mark over wbether Mr. Fred Mulley, Defence Secretary in the last Government, will want a front-

In Opposition, Labour MPs elect 12 members of the shadow cabinet while the rest are elected by the party leader. Mr. Callaghan has already lost two ex-Ministers from his potential team. Mrs. Shirley Williams, the former Education Secretary, was defeated in the election, while Mr. Anthony Wedgwood Benn, Energy Secretary in the last Government, has already said he would prefer freedom on the backbenches to a job in shadow cabinet.
The first real test of Mr.
Callaghan's authority in Mr. Macdonald, 42, has

the European election cam-So far, the Left has made the running with the adoption of a manifesto which includes a thinly veiled threat to taka

will

Committee

expansion of nuclear power EXPANSION OF nuclear power, facilities all apply in the case of

though with increased Govern-ment control, was supported by a large majority of Swiss voters at a national referendum this About 69 per cent of all those

voting approved a Government proposal to revise the country's 1959 "Nuclear Act," subjecting future construction and operation of atomic power stations and nuclear-waste dumps to

Parliamentary approval.

At the same time, almost twothirds of the electorate again rejected introduction of valueadded tax as part of a pro-gramme to balance the federal budget as from 1981. The fiscal reform package, rejected by a majority in every single canton, foresaw a standard VAT rata of 8 per cent, with reduced rates of 5 and 21 per cent for certain

goods and services. The approval of the revised law governing nuclear power units had followed the rejection in February of a referendum proposal from the anti-nuclear lobby which would have made it virtually impossible to open new atomic power stations.

The revision proposals, which had already been passed by the Federal Council and both Houses of Parliament, had been

opposed on the grounds that they did not go far enough. Anybody in the country, regardless of where they live, will bave the right to appeal against dump for radio-active waste. Appeals can be made both against the original application and against any assessments on

the three planned nuclear power stations at Kaiseraugst, Graben and Verbois. Stations already in use or for

vbich building permission has been granted under the existing Act do not need subsequent Opposition to the revision of

the present law came primarily from people claiming this did not go sufficiently far in tightening up Government

The revision does not, for example, foresee referendums before approval of new nuclear. power stations, nor does it introduce the principle of un-limited liability in the case of nuclear accidents.

Under the revised law, new nuclear power stations and dumps for radioactive waste will be allowed only on Parlia-mentary approval if the power stations in questions are considered "really necessary" for national energy supply.

In the case of radioactive waste atorage, this will bave to be guaranteed on a long-term basis when Initial power station approval is granted, the operator of the power station to bear responsibility and the

Throwing-out of the fiscal, package, the Government says, will mean great difficulties for new, beavy federal deficits.

the construction of a nuclear Urgent projects could be de-power station or the opening of layed or altogether jeopardised, it is warned in Berne. Introduction of the package would have produced additional tax income for the Federal Government of which Government and Parlia-ment base their decisions. These of 1981.

New takeover chief

FINANCIAL TIMES REPORTER

MR. GRAHAM WALSH, of

opposition will come this week occupied the office since April, when the National Executive 1977. He is to return to Hill discuss Samnel in a senior position. He was a director of Hill Samuel until appointment

Walsh, woo Morgan to the Morgan Mr. appointed to Grenfell Holdings Board last Britain out of the Community week, is a member of the if certain reforms are not Issuing Houses Association executive committee.

He is a director of the main merchant bankers Morgan subsidiary company of Morgan Grenfell, is to succeed Mr. Grenfell, Morgan Grenfell and He will be the panel's fifth

chief executive—its chairman is Lord Shawcross - and the fourth merchant banker to bold The new appointment has

a director of Hill Samuel been made by the panel, with he took up his the approval of Mr. Gardon Richardson, governor of the was Bank of England, organ A formal announcement is

expected this month, and Mr. Walsh is to take up his appointment at the end of June or the beginning of July.

Spain's Socialist leader quits over Marxist line

FELIPE GONZALES resigned from the leadership of Spain's Socialist Party yester day in protest at the adoption at the 28th Congress of a tougb Marxist ideology.

The party congress had accepted, against strong personal pleas from Sr. Gonzales and the executive, a resolution reaffirming the party as a class party adhering to Marxist prin-

Sr. Gonzales's decision is viewed bere as one of the most important political events since Franco's death. Although only 37-years-old, Sr. Gonzales bas been heading the party since 1974. He is the one truly national figure among the Socialists, and has played a major part in belping to bring sbout a peaceful transition to democracy-precisely by avoiding dogmatic left-wing ideology which the party militants bave sought to push through.

Strong emphasis

His resignation bas left the party, Spain'a second largest supported by 29 per cent of the electorate, in serious disarray. On several occasions before this congress, Sr. Gonzales said that be opposed the adoption of a strong emphasis on Marxism. This risked dividing political



parties in Spain into the Marxists and the non-Marxists,

Sr. Gonzales: strong personal

He repeated this in his opening remarks to the congress in an effort to justify his and the executive's conduct since the last congress in 1976.

was given to Sr. Gonzales when

be declared the party to be Socialist before Marxist, the militants managed to gain sufficient support for their political motion defining party ideology.

The motion, originating from delegates from the mining region of Asturias, declared the party to be based on class, mass support and espousing Marxism, democracy and federalism.

Tactical move

Sr. Gonzales, in announcing his resignation, said he regarded the motion as a moral defeat. His 30-minute resignation speech - interrupted by shouts of "Felipe, stay" — did not have the air of improvisa-

This has led some to believe that his move is tactical, since be feels that this congress has not fully resolved the issue. Those proposing the Marxist line for the party did not seek to push him off the executive. and they may have misjudged the extent of the problams created by their action. Sr. Gonzales'a resignation also

poses questions about the relationship with the other main party on the left, the Com-His report was endorsad by 68 munists, who are clearly per cent of the delegates, delighted by what they see as Although this majority support events which can only favour

Gormley says he will stay as Left-wing bids to regain support

has told colleagues that be will not be July. resigning his post this year after A demand from Scotland for all, but will stay on to give the a top underground rate of £140 groom a successor.

His change of mind coincides £110—the claim with which the with an important change of NUM went into the last negotiatactics by the union's Left-Wing, tions. designed to recapture the grassroots support for its militant policies that it has lost in the last few years.

Pay motions

MR JOE GORMLEY, president hood that those amendments of the National Union of Mine will be accepted by the movers around £85 a week. If bonus senior at the conference early in earnings, are removed from the

union's Right Wing time to a week has brought an amendment from Kent suggesting The Scottish Enginemen's

demand for a minimum £100 Wales. Both Mr. Gormley and the For the first time, pay Government may draw comfort motions put up by some Left- from this lowering of the Left's wing areas for the annual con- sights. However, the move is

ference have been amended not designed to give comfort,

downwards by other Left-wing but to harness militancy by

The current top basic rate is calculation, that means the miners could go into next winter's negotiations with a claim for basic rate increases of up to £25 a week, or just under 30 per cent.

Formidable

Mr. Gormley's decision to a week for surface workers has stay on rules out on age been amended to £71 by South grounds his most formidable Left-wing challenger for the job, Mr. Mick McGahey, the vice-president, who is also chairman of the Communist Party of Great Britain. It opens the way for Mr. Trevor Bell, recently elected secretary of the NUM's clerical section, who is seen as the Right's main areas. Given the new tactical giving the 240,000 miners pay consensus among the Left targets which they will see as leadership, there is every likeli-realistic.

Who else has...

...50 years' materials handling experience

Hyster's experience is unique. And it shows, In our wide range. In our appreciation of your requirements. And in our no-nonsense designs that save you time and money. So, if you're looking for a lift truck that offers higher productivity and lower materials handling costswithout sacrificing quality or safetyyou're looking for Hyster.

and3manufacturing plants in Europe

With 3 plants in Europe, of which the largest is in Scotland, Hyster has the manufacturing capacity to deliver. And the manufacturing flexibility to cater for your individual requirements. Truck designs are subjected to the most punishing tests and stringent quality control procedures govern every stage of production. All to ensure that your truck will get the job done, however demanding.

and over 70 lift truck models

To ensure you get the truck you need, Hyster offers over 70 different models different models. With up to 37 tonnes ifting capacity.

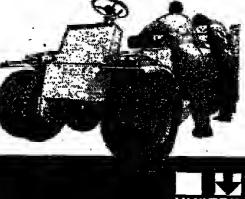
Cushion or pneumatic. Petrol, diesel, LP-Gas or electric. And a wide ranging choice of other options to custom-tailor the truck to your particular application. Everything from indoor warehousing to outdoor container handling.

and 14 Customer Service Centres in **Britain?**

Naturally, quality products deserve quality back-up. So Hyster takes great care to select dealers who have the capability to meet your requirements. Extensive knowledge of materials handling applications. And all the facilities you need. So that you obtain first-class after-sales service on

your doorstep. Check for yourself. Today, Manufactured in Britain by Hyster. Sold and serviced in Britain by: BARLOW handling Barlow Handling Limited Head Office: Airlield Estate,





(denhead, Tel : Littlewick Green 21 51 tesser Ltd., Tel : Dublin 364611. : 817126, Cork 50 8624

U.S. mediation effort in Egypt-Saudi dispute

BY ROGER MATTHEWS IN CAIRO

to he trying to halt the sharp between Saudi Arabia and Egypt, which is beginning to threaten the Egyptian Governconsequences.

The U.S. Amhassador to Cairo, Mr. Hermann Eilts, made an unpublicised trip to Rome at the end of last week, and yes-Prince Fahd of Saudi Arahia,

THE UNITED STATES appears ceived official instructions to have on time deposit at the halt their virulent criticism and Egyptian central hank. attacks on the leaderships of Saudi Arahia and Kuwait. It stated that it intends to dissolve is presumed that President the arms industry, with the loss Anwar Sadat will also moderate of 15,000 jobs in Egypt, while his references to the two coun- Kuwait has declined to start tries, which have in the past negotiations for the roll-over of decade provided Egypt with its \$1.1hn at the central hank. substantial financial assistance If no negotiations are held

difficulties. terday admitted that he had Of most immediate concern After returning from Rome, held talks with "an Arah to the Egyptian Government is Mr. Ellts went almost im-

Saudi Arabia has already and still have the power to Egypt is automatically scheduled cause considerable future to start repayment of the deposits this summer.

leader." It is now widely the fate of the Arab Organisation mediately to the Egyptian assumed that he saw Crown for Industrialisation—the four Foreign Ministry to see Dr. nation Arab arms industry that Boutros Ghaly, the Minister of who was in Rome at the same is substantially based in Egypt State, and later went on for me.
—and the future of nearly \$2bn talks with Mr. Mustapha Khalil,
Cairo newspapers have rethat Saudi Arabia and Kuwait the Prime Minister.

Moderate Arab kings confer in Fez

POLITICAL MODERATION and financial munificence are what King Hassan II expects from King Khalid of Sandi Arabia with whom he had polifical talks in Fez yesterday on the second day of the Waha-bite monarchs' first official visit to Morocco, our Rabat correspondent writes.

King Khalid was given a tumultuous welcome hy half a million people as "the guardian of Islam's holy

places" when he arrived on Saturday, ohviously unwell, leaning on a stick, and walking very slowly.

The moderation of Moslem ardours was no doubt one of the topics discussed by the two kings in Fez. The liberaton of Jerusalem and support for the Palestinian cause, however, are two issues where intransigence helps them present a measure of unity with the more radical Arab States. King Hassan told visiting

reporters last week he found Islamic resurgence "an extremely disturbing phenomenon" hecause it had been realised that a hillion Moslems in the world could be easily mobilised by slogans. In his view there is a "vast subversive conspiracy" against Islam to use Moslem minorities for political numeroes and ties for political purposes and I think we have no right to stir the faith of peoples, or to light fires in the name of the

cancels election bid

day changed her mind about contesting the Parliamentary hy-election in the Thanjuvur constituency in the southern state of Tamilnadu and decided to return to New Delhi without filing her nomination papers, K. K. Sharma reports from New

Delhi, Mrs. Gandhi will now prohahly contest a by-election from the Chikmagular constituency the southern state of Karnataka which she represented hriefly hefore.

Uganda offer

President Lule of Uganda said on television yesterday that non-African Ugandans whose large businesses were expropriated by President Amin but not given new African owners, have the "automatic right to participate in them with the Government," apparently opening the door for the return of some of the 50,000 Asians expelled in 1972, AP reports from Nairobi.

Visits by Soviet chiefs Mr. Alexel Kosygin, the Soviet Prime Minister, is to visit Czechoslovakia, and Mr. Leonid Brezbney, the President, will go to Hungary this month to discuss the deteriorating economic situation, primarily caused by energy supply problems, Paul Lendvai reports

Mrs. Gandhi Troop build-up on Namibia border

Namihia or southern Angola, deadlock A national assembly following a hig build-up of troops in the border area.

Several thousand men from South Africa's standhy Citizen Force have been called up for horder service in recent weeks. Observers in Windnock estimate that the latest re-inforcements total some 4,000 to 5,000 men, as well as large numbers of armoured vehicles.

The huild-up comes just hefore the UN General Assembly is due to hold a formal dehate on the situation

may be planoing a major settlement in the territory announced two weeks ago new military operation to northern appears to have reached total in the territory is due to he installed today, in apparent defiance of the plan for UN supervised elections.

> At the same time the South West Africa People's Organisation (SWAPO) appears to have extended its guerrilla activities into white farming areas, where six people have heen killed on isolated farms in the past two months. The total number of guerrilla incidents in Northern Namibia has risen substantially since the start of the year.

Judge Marthinus Steyn, the

OBSERVERS in Windhoek and Wednesday, and after the South African Administrator could be combined Pretoria believe South Africa western initiative for a peaceful General in the territory, selective massingly ra security regulations covering wide areas in the northern half

of the country.
Military observers point out. SWAPO guerrilla bases would not require such massive reinforcement—on top of the estimated 12,000 troops which South Africa already maintains in the horder area. They believe that the huild-up could herald a major motorised infantry sweep through the operational area in northern Namibia. Timed to coincide with the end of the rainy season, when the thick hush cover rapidly

selective prospherder raids. A spokesman for the South African Defence Force declined

to comment on the reports. The South African Govern ment has meanwhile launched that selective strikes against a major political and diplomatic effort to deny allegations that it is to blame for the collapse of the western peace initiative in Namibia.

In a weekend speech, Mr. Pik Boths, the South African Foreign Minister, accessed Mr. Don McHenry, the deputy U.S. Ambassador at the UN, and chief western negotiator on Namibia of conspiring with Mr. Martin Ahtisaari, the UN special representative for tha disappears. Such an operation territory, to abort the UN plan-

Iran tells Washington not to send envoy

TEHRAN — Iran said yester the embassy during the February day that the U.S. should not revolution. In Washington the State 100,000 Iranians demonstrated the right to head off the meeting Tehran over the weekend in ing had earlier led to a change protest against censorship and in its venne, to the grounds of Tehran until the political atmo- Department refused to comment

sphere between the to countries had been clarified. The official PARS news agency said the move followed criticism in the U.S. Senate of executions hy revolutionary courts of former supporters of the exiled

Mr. Walter Cutler, a former consul in the Iranian town of Tahriz was due to take up the post of amhassador later this year. The former ambassador. Mr. William Sullivan, left

on the move. The Foreign Ministry's statemeot followed a fierce attack on the U.S. by the Ayatollah

Runollah Khomeini. He told a delegation of trihesmen: "They (the U.S.) have warned us that their relations with us may be endangered. I hope so. What are we doing with this relationship? It is one hetween so oppressor and the oppressed."

to demand freedom of speech. The rally, organised by the tiheral National Democratic Front, brought out publicly the full range of the country's Marxist groups in support of what has become a major issue.

Towards the end of the meeting some 300 militants from a faction of the Islamic right known as the Hezbeullah or "Party of God" attempted unsuccessfully to disrupt the proceedings. Armed with sticks. euter and knives, scuffles broke out.

Andrew Whitely adds: Nearly with Left-wingers. Attempts by

the industrial university.

The issue of press freedom one that for the first time since the revolution threatens to create both a class and ideo logical split. Professional middle class Iranians, frustrated and deeply disillusioned at the

A resolution highly critical of the new regime's handling of the media, and by extension its alleged intolerance towards dif-ferent points of view, was passed overwhelmingly.

Guerrillas 'defecting to Muzorewa'

By Tony Hawkins in Salisbury

AT THE end of a week in which Rhodesian security forces killed more than 300 guerrillas, military officials claimed that Patriotic Front guerrillas have heen defecting in increasing numbers and taking advantage of the Government's amnesty

According to official compuniques, some 1,800 Patriotic Front guerrillas have been killed by the Rhodesian security forces so far this year.

Many of the guerrillas are said to he waiting for the installation of a black Prime Minister at the end of this month as a reason for switching sides and supporting the new government.

Schmidt appeal for early SALT treaty

offer, launched last month hy the Bishop Ahel Muzorewa, the Prime-Minister elect.

Rhodeslan military sources said guerrilla surrenders had increased by 30 or 40 per cent in the last few weeks.

CHANCELLOR Helmut Schmidt made an urgent appeal in early ratification by the U.S. and the Soviet Union of the second Strategic Arms Limitation Treaty (SALT II).

Herr Schmidt told a special conference of his Social Demo-cratic Party on defence policy that SALT II might seem less than perfect to some, but that he helieves it is "a high point for the time being" in cooperation towards arms control. The German Chancellor promised that he would press this view in Washington during his visit there in early June.

Both Herr Schmidt and Herr Hans Apel, his Defence Minister, delivered a warning to Moscow that in return for early endorsement of SALT II, the West would expect concrete evidence of Soviet willingness to negotiate limitations on its new medium range nuclear weapons, and especially the SS20 missile.

THE EUROPEAN ELECTIONS

Show biz opening for Christian Democrat campaign

or more people in the huge Westfalenhalle here in Dort-mund yesterday afternoon were

(CDU) attracted a surprisingly large and enthusiastic crowd for what is generally reckoned to be a Social Democratic bastion in the steel and engineering Ruhr region. Politics was not laid on too heavily: for over an hour, a miners' hand, alternating with men in hright pink shirts who murdered classic Count Basie arrangements, worked hard to give everyhody a good time. everyhody a good time.

. There was heer, if not in quite the quantities of many German political meetings, sausages, and security men-an uncomfortable reminder of the scare last week, when a bomh was thought to have heen found in a flower arrangement near the podium of Herr Helmut Kohl, the CDU chairman. (It later turned out to be nothing

worse then a large squih.)

The show husiness pomp and ceremony seemed a little daunting to some of the two dozen or so candidates for the European Parlisment. They clapped dutifully with the rhythm, but only one or two had the presence of mind to had the presence of mind to match the grins of Herr Kohl and his fellow members of the national party leadership. The Euro candidates, younger than might be expected from

some of the taunts of the West German Press, none the less had little chance to shine as individuals. None was given a turn at the microphone, where tried leaders of the CDU spent a good hour warming the audience up with the hunt language of slogans.

The high point of the afternoon was to have heen a wight.

visit from Mrs. Margaret Thatcher, whose victory in the British general election has so encouraged German Christian Democrats that one might almost think some of them believe they belped bring it

"GERMANS: vote for a free party General Secretary, had and social Europe—against a only to mention Mrs. Thatcher socialist Europe." Whatever the and her "decisive defeat of slogan meant, most of the 5,000 socialism," to win several minutes' loud cheering.

In Mrs. Thatcher's absence the visiting star was M. Leo Tindemans, the former Belgian Prime Minister, who is also mund yesterday afternoon were not hothering too much with philosophical hairsplitting.

The opening rally of the Christian Democratic Union (CDII) attracted a surprisingly fighting this election.

The was left to him to recall the prime Minister, who is also chairman of the federation of European conservative parties fighting this election.

some of the areas of policy in which the Parliament will have to try addressing the tasks that have eluded most national governments so far-energy.

The latest French opinion polis give a consistent lead to the centrist list of Enropean Parliament candidates, beaded by Mme Simone Veil and hacked hy Prime Minister Raymond Barre, over the three other main formations, David White reports from Paris. If the forecasts are borne ont in the June 10 ballot, it will be the first time the "Giscardiens" have come out as top party on a national scale, above the Socialists and well above their Gaullist coalition

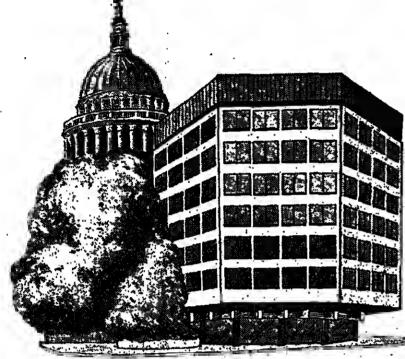
industrial reorganisation, unemployment. research and development mental protection. He said farmers had been

shle to take advantage of Europe: it was high time for other people to realise what Enrope meant, and not to leave it to experts and a handful of Ministers.

M. Tindemans argued eloquently that European decisions were sadly lacking in democratic control, and that it was not good enough for the Council of Ministers merely to decide matters hehind closed doors. "We Christian Democrats

bave been united as a Parliamentary group ever since the heginnings of Europe. We are the most competent and the hest prepared to win a majority of this Parliament next month."

FINANCIAL TIMES, published except Sundays and holidays, subscription rates \$365.00 per second class postage paid at York, N.Y. and at additional resources.



If banking is a service business, then it should be on service that you judge a bank.

Bank of Boston House, 5 Cheapside, E.C.2.

We've spent 57 years in the City, building an organisation to cater for the toughest judge of all: the financial professional.

That's why The Bank of Boston in London offers a surprising depth of service to international customers-including an active foreign exchange dealing department and the facilitating of investments in the U.S.

Why we have unusually good representation in 40 countries.

Why our two hundred people in London aim at the highest standards (if you give the best service, you have the best bank).

And it works.

We are one of the top ten US international banks, and a major force in correspondent banking.

And six out of the top ten companies in the prestigious "The Times One Thousand" are our customers.

Do you put a premium on service too? We look forward to meeting you.

Boston. The bank for financial professionals.





Bank of Boston House, 5 Cheapside, London EC2P 2DE (Tel: 01-236 2388). Also at: 31 Lowndes Street, Belgravia, London SWIX 9HX (Tel: 01-235 9541)

ARGENTINA, AUSTRALIA, BAHAMAS, BOUMA, BRAZIL, CHANNEL ISLANDS, DOMINICAN REPUBLIC, FRANCE, GERMANY, GUATEMALA, HATTI, HONG KONG IRAN, LAPAN, LUXEMEDOURG, MEXICO, BANAMA, SRA'GAPORE, SPAIN, UK, US.A., URUGUAY, VENEZUELA

by Third

World debt

1934, payment of claims under

the Swiss Export Risk

Guarantee scheme exceeded

premiums received. A resulting deficit of SwFr 108.2m (£35m)

had to be covered out of

reserves, writes John Wicks-from Zurich. This followed

foreign-exchange losses, which

eccounted for SwFr 262.3m of

SwFr 5.8m was claimed in con-nection with Pakistani and Turkish debt consolidation and

SwFr 36.6m for other losses

including those due to hostili-

mental debts. By the end of last year, the Swiss Government had

export risk guarantee commit-

ments totalling SwFr 23bn, of which 54 per cent were

accounted for by developing

Japan faces reduction in supplies of oil from Iran

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

FOUR JAPANESE trading companies which signed a long prices at the time the contract imports in 1978. term contract early this year to was negotiated and have not import crude oil from the been revised npwards.

National Iranian Oil Company

(NIOC) heve confirmed that (Mitsui, Mitsubishi, Marubeni plies under the contract from or two days.

A spokesman for one of the

four companies (equivalent to sbout 12 per cent of Japan's oil imports) from April to

The amount was cut back, at NIOC's request, to 400,000 hb per day shortly after the con-tract was negotiated. What is now being proposed is e 15 per cent cut from the 400,000-barrel

NIOC is understood to bave given no reason for the request although there is some speculetion that it may plan to divert to import about 65m kilolitres due to leave for Europe early oil into the spot market where of oil during the current (April next week to attend a council substantial premiums could be available over the prices charged to Japan.

The first less to the first less than the first le

arly

-- 3 He == 3

ATT.

These are based on OPEC rather less than the level of

they have been asked to con- end C Itoh) are expected to sider a 15 per cent cut in sup- delay a reply to NIOC for one

The contract originally pro-vided for NIOC to ship 600,000 tract specified that supply levels harrels of oil per day to the could not be changed except es e result of force majeure. is why the 15 per cent cut has been presented in the form of

notification.

The trading companies presumably bave the option of responding to the NIOC move by offering a higher price on the same quantity of oil to "corner" supplies of spot market oil by offer importers

A spokesman for the Ministry of International Trade and Industry said that Jepan hopes to June) quarter—roughly the same as the amount it bought in the same quarter of 1977 but (TEA).

Jepan's privately held oil stocks now total 83-84 days supply, a very slight fall from the level early this year.

Japan faces no immediate problems with oil stocks at this level, but it is pointed out that stocks should be rising for seasonal reasons at this time of year whereas they have in fact been falling slowly since the late winter. The oil supply "crunch" for Japan could been presented in the form of come in the autumn when a a request rather than a direct seasonal fall in stocks normally

> to "corner" supplies of spot market oil by other importers Including the United States.
>
> Mr. Esaki and the Minister of Foreign Affairs, Mr. Sonoda, are of ministers meeting of the International Energy Agency

Tokyo on car exports

By Richard C. Hanson in Tokyo

TOYOTA AND NISSAN motor companies, the two largest in Japan, appear to be taking a somewhat cautious view on the prospects for increasing their shipments to the U.S. later this year despite booming sales there in March and April.

At the end of April Toyota held shoot two months' inventory in the U.S. down from four months in January. Sales in the U.S. have risen sharply since January's total of 25,513 units to 46,685 in April as demand for small economic cars increased.

However, Toyota sees sales through the summer months levelling off with a somewhat gloomier outlook for the antumn months. The present inventory levels are therefore considered appropriate.

Nissan has seen the sales

of its Datsun cars in the U.S. rise from 22,894 units in January to 44,969 units in April. Its U.S. inventories have also shrunk rapidly to about three months' supply, and it faresees an inventory problem looming over the next few months. By the autumn, however, the U.S. market is expected to be less

Caution in U.S. shipping plans awaited Swiss hit

satisfying domestic and foreign banned by U.S. anti-trust lews.

shipping interests.
President Carter had been expected to make an announcement last month but his con-sideration of a White House task force inter-agency study of maritime affairs has been seriously delayed by other matters, most recently the growin gasoline shortage.

The broad outlines of the study, led by Mr. William Johnson, a member of the White House staff, were completed some time ago and were profiled at a shipping industry conference in London at the end of

Shipping interests have been since and hopeful that their critical reaction to Johnson's disclosures might bring some changes.
However, apart from propos-

creation of shippers councila which are currently banned by anti-trust laws, the study is ex-pected to reflect the White House's inability to create a consensus among various sections of the Administration rather than embodying any bold policy

AFTER A LONG DELAY, the Thus, the President is not ex-Carter Administration is ex- pected to be asked to endorse pected to unveil proposals for any move towards adopting e new U.S. maritime policy in 'elements of the "closed con-the next few weeks which is ferences" which are widespread expected to fall well short of in world liner trades but

> Shipping companies operating in trades to the U.S. are permitted to operate "open" conallow restrictions on membership, nor revenue pools and a range of other co-operative practices found elsewhere in the world.

> The task force has had considearble difficulty in taking a position on the question of shipping lines paying rebates to loyal customers but it may urge the President to permit the practice in very restricted cases.

> In broad terms, the task force study is said to show evidence of the Department of Justice's extreme reluctance to sanction any further significant roll back of anti-trust laws from shipping activities. Thus it is opposed to moves which could diminish competition by allowing practices which most shipowners would regard as necessary " rationalisation."

> Accordingly, a significant extension of the protection from anti-trust prosecutions currently afforded by Section 15 of the Shipping Acts is thought un-

But the President may urge Congress to rewrite the section to remove some ambiguities about the kind of rate agreements which shipping companies may make without risk-

ing prosecution.
The State Department is understood to have argued for a more liberal approach on several issues, claiming that a rationalisation of regulations would, time, improve the quality of the U.S. merchant marine and or the U.S. merchant marine and the total payments of reduce the sharpening confrontations with international ship. tations with international shipping partners.

It appears to have been successful in advocating procedures for speeding up approvals for shipping rates once filed with the Federal Maritime Commis-

cedures could affect the powers of the FMC whose regulatory decisions have been seen in Washington and elsewhere as often arbitrary and lacking in

 The Justice Department is exments in the next few days to senior executives of three European and four U.S. sbipping companies which it is elleged bave committed rebating offences. A Grand Jury has been considering evidence since early last year and its deliberations

credit deal The Export

New China

Corporation has concluded an agreement with the Bank of China for a C\$2bn (£836,000) credit to cover purchases by China of goods and services. from Canade, reports Reuter from Ottawa.

Meanwhile, the Bank of China has, as expected, signed an agreement on basic conditions for a \$2bn loan and a \$6bn refinance facility from a syndicate of 31 Japanese banks.

France-Qatar petrochemical tie

OATAR is expected to increase petro-chemical activities, following talks between the two governments, reports Reuter from Paris. Officials from Qatar and France also attended the opening in Dunkirk of a FFr 1.3bn (£145m) petrochemical plant, in which the Qatar Petroleum Corporation has and a 40 per cent stake.

RAPID DEPLETION OF DOMESTIC WELLS

Canada widens its base

BY JIM RUSK IN TORONTO

CANADA'S NATIONAL oil com-pany, Petro-Canada, is close to the new Government after exports declined to 268,400 signing two long-term oil pur-Canada's Mey 22 election. Mr. barrels a day from 331,200. chase agreements in Latin Joe Clark, leader of the Conser-America as the country turns to, vatives, has said that the state Western Hemisphere sources oil company would be returned which are increasingly regarded to private hands if the Conseras more secure than those in vatives win.

the Middle East. Canada and Mexico have supplies comes from three drawn up an agreement that sources: Canada's growing oil would see Mexican crude oil trade deficit, the vulnerability flow to refineries in Eastern of Mid-East supplies as demon-Canada beginning early next strated during this winter's year. While agreement between Iranian crisis, and the political Canade and Mexico has been storm that crupted last February put down on paper, it still must when Exxoo of New York cut be ratified by the two Govern-back supplies to its Canadian ments. The deal is for Canada subsidiary, Imperial Oil, the to purchase 100,000 barrels e largest refiner in the country.

for the purchase of 100,000 bar a level slightly below those in rels a day, is not as far along 1977, declining exports to the It currently is being held up by Venezuelan Government con-tern over the future of Petrocan Imports averaged \$34,500 barif the opposition Progressive rels e day compared with 556,200

The pressure to line up the Although Canada managed to A deal with Venezuela, also hold its oil imports in 1978 to

barrels a day from 331,200. As a result the deficit in Canada's oil trade grew to 366,100 barrels a day, compared with 325,000 in 1977.

The deficit is expected to widen further in 1979, despite Canadian attempts to hold down imports by piping Western Canadian crude oil to eastero Canadian refineries in Montreal. which, until only a few years ago, were served by imported oil.

Exports to the U.S. will be cut back again this year as Canada tries to stretch supplies of rapidly depleting domestic fields. The decline is expected to be so rapid that Mr. R. W. Sparks, the president of Texaco Canade, predicts Canada will only be able to ship Western until 1983,

On the supply side, Canada meets two-thirds of its needs from bome wells. Of the imports almost 90 per cent come from four countries, Venezuela Saudi Arabia, Iran and the U.S., in declining order of importance. Venezuela's share has slipped in line with that cutbacks in pr duction. In 1977, it supplied 40 per cent of Canada's imports but only 34 per cent in 1978. Saudi Arabia provided almost 24 per cent of imports in 1977 and almost 22 per cent in 1978.

Despite a drop in deliveries in the latter part of the year because of its domestic crisis. Iran increased its share of the Canedian market marginally in 1978 to supply 17.8 per cent of Canade's imports, compared with 17.3 per cent in 1977.

While It would appear from the trade data thet the U.S. sharply increased its sbare of the Canadian market in 1978 by supplying 14 per cent of Canadian needs, compared with B per cent in 1977, the data is

There is a great deal of Gov-ernment-epproved awapping of oil between Canadian and U.S. oil companies designed to make the most efficient use of tha continental pipeline system. In Febmary, in the wake of the Iranian crisis, Exxon put all its custo-

Although its Canadian sub-sidiary, Imperial, normally received all its import needs about 110,000 barrels a day -from Venezuelan sources, as an Exxon customer, its supplies were cut back by about 10 per cent. The ensuing supply prob-lem caused a furore in the Canadian Parliament, and aecurity of oil supplies has been a major election plank with Prime Minister Trudeau's Liberals, who cite the proposed supply arrangements by Petro-can as proof of their ability to guarantee supplies.

Under its proposed arrangenent, Venezuela would take the 100,000 or so barrels a day now sold to Imperial through Exxon and sell it to Petrocan at the same price

While Canada could achieve the same effect by having Imperial purchase directly from Venezuela, the company has so far refused to do so on the grounds that its supplies are more secure by purchasing through the centralised network of Exxon, where it has access to crude from a number of

If Petrocan signs the purchase agreements with Mexico and Venezuela, it would have to arrange contracts for the transportation and for the refining capacity in Eastern Canada.

The agreements between Canada and the two Governments also contain parallel trade arrangemants that will bring broad industrial co-operation with Canada. Both are reported to be interested in purchasing a number of Canadian products and Canadian nuclear tech-

Agrochemical downturn

echieved record sales levels last year, but there is likely to be e downturn in the industry'a fortunes in 1980, eccording to a report by Wood Mackenzie, brokers and analysts.

protection chemicals all incompanies are reticent about aggravated by the prospe

MAJOR agrochemical companies derived from agrochemicals. there is no doubt that in many cases record returns were achieved in 1978.

But the report forecasts thet "1980 will break the rising The report says the world's trend in the industry's fortunes top 20 manufacturers of crop although the "setback will only although the "setback will only be temporary." Wood Mackenzle creased turnover to record levels expects that the cyclical trend last year. It adds that "although within the industry will be divulging their profits which are a severe slowdown in the U.S.

World Economic Indicators

	FOREIGN EXC (billi	CHANGE RE ons U.S.S)	SERVES	
	March '79	Feb. 79	Jan. '79	March 7
U.S.	6,391	4,305	5,198	80
U.K.	16,846	16,034	15,543	19,485
Japan .	24,539	28,423	28,847	26,431
	Feb. 79	Jan. '79	Oec. 78	Feb. 78
W. Germany	38,463	40,466	42,376	32,918
France	8,993	8,717	8,305	4,462
İtaly	11,370	11,265	10,426	7,610
Holland	4,132	4,078	3,947	3,766
Belglum	2,663	2,663	2,637	2,604
		Source	: International	Monetary Fu

"To appreciate Lufthansa, once in a while, one has to fly another airline?

This is an authentic passenger statement.



Consult your Travel Agency or our timetable for exact details of all our flights.

ROYAL DUTCH PETROLEUM COMPANY (N. V. Koninklijke Nederlandsche

Petroleum Maatscheppij) Established at The Hague, The Natherlands **FINAL DIVIDEND 1978**

The General Meeting of Shareholders of Royal Dutch. Petroleum The General Macung of Snareholders of Royal Dutch. Fetcheum Company held on 17th May, 1979 has decided to declare e total dividend for 1978 of N.fls. 10.75 (including the interim dividend of N.fls. 5.00 already made payable in September 1978) on each of the 134,018,522 outstanding ordinary shares, so that the dividend still to be made payable on these shares will amount to N.fls. 5.75.

A. On the Bearer Sheres
(i) This final dividend will be payable against surrender of coupon No. 165 oo or after 29th May, 1979 at the offices of N. M. Rothschild & Sons Limited, New Court, St. Swithin's Lane, London EC4P. 4DU on business days between the hours of 9.30 a.m. end 2 p.m.

Payment will be made in sterling at the buying rate of exchange current in Amsterdam at 2 p.m. on 29th May, 1879 in the case of coupons presented on or before that date, or on the day of presentetion in the case of coupons presented subsequently. In view of the fact that Netherlands guilder funds are being provided by the Company for payment of this dividend, the usual foreign exchange commission will be deducted from the sterling proceeds. Coupons company for payment of this dividenc, the usual foreign exchange commission will be deducted from the sterling proceeds. Coupons must be accompanied by a presentation form, copies of which can be obtained from N. M. Rothschild & Sons Limited, and the face of each coupon must bear the stamp or other indication showing the

Coupons must be left for an appropriate period for examination and

In the case of shareholders not resident within the Scheduled Tentories the paying agent may, at the request of the Authorised Depositery presenting the coupons, pay the dividend in a different currency, Information in this respect will be supplied by the paying Netherlands dividend tax at the reduced rate of 15 per cent will be

deducted from the gross dividend where: (a) United Kingdom income tax has also been deducted;

(b) Coupons are presented on behalf of residents of the United States of America, Australia, Austra. Belgium, Canada, Denmark, Finland, France, Ireland, Japan, Luxembourg, Netherlands Antilles, Norway, South Africa, Spain, Swedeo or West Germany, Provided they lodge the appropriate declaration form.

Netherlands dividend tax at the reduced rate of 20 per cent will be deducted from the gross dividend where coupons are presented on behalf of residents of Indonesia or Surinam, provided they lodge the appropriate declaration form.

In all other cases Netherlands dividend tax of 25 per cent is to be (ii) On 29th May, 1979 this final dividend will be paid to Depos

aries admitted by Centrum voor Fondsenadministratie B.V.,
Amsterdam, on the shares whose dividend sheats were in their
custody at the close of business oo 17th May, 1979. Such payment
will be made through the medium of N. M. Rothschild & Sons
Limited, after receipt by them of a duly completed CF Dividend

Where appropriate, the usual affidavit certifying non-residence in the United Kingdom will also be required if payment is to be made without deduction of United Kingdom income tax.

Where under the double tax egreement between the United Kingdom and the Netherlands, 15 per cent Netherlands dividend tax has been withheld, the 15 per cent Netherlands tax is allowable for a resident of the United Kingdom as a credit against the United Kingdom income tax payable in respect of the dividend. The deduction of United Kingdom. income tax at the reduced rate of 18 per cent instead of at the Basic Rete of 33 per cent represents e provisional allowance of credit at the rate of

B. On the Registered Shares registered in the United Kingdom Section of the Amsterdam Register The starting amount of the dividend is fixed at 134.330p per share be on the sterling/guilder rate of exchange, being N.fls. 4.2805 - £1,

current in Amsterdam on 17th May, 1979. The record date will be 29th May, 1979; shareholders registered at the close of business on that date will be entitled to receive the dividend. On or before 20th June, 1979 dividend warrants will be posted by the transfer agent, Algemene Bank Nederland N.V., Amsterdam, to share-

holders registered in their books on the record date. From the dividend on the registered shares Netherlands dividend tax of 25 per cent has also to be deducted. Where under the relevant tax convention shareholders are emitted to e reduction of the Netherlands dividend tax, this can only be effected through a request for a partial refund of the tax withheld on the appropriate tax affidavit.

ROYAL DUTCH PETROLEUM COMPANY

yesterday of withdrawing all

hospital services from National

conference

which led a pay

Government policy to maintain

private sector bospital beds.

NHS pay heds.

annual

ancillary

cleaoers.

laundry workers.

Howe will delegate more to his juniors

CHANCELLOR Sir Howe has decided to delegate far more responsibility to his junior ministers in the Treasury than Mr. Denis Healey, his

The four Treasury ministers below Sir Geoffrey will operate as a team, each with his own area of work.

A new style has already developed within the Treasury with the junior ministers and the three special advisers closely involved in major decisions on public spending and macro-economic policy.

The new team has come to office with very definite ideas of what it wants to do and how it will attempt to achieve these goals. Officials bave apparently been impressed by the degree of expertise on details of

Under Labour, Mr. Healey took all the main economic decisions after discussion with a decisions after discussion with a Committee, the Comptroller broad range of officials and Mr. and auditor General, auditing Joel Barnett, the Chief Secre- matters and the review of the

Geoffrey tary. The two junior ministers Exchequer and Audit Accounts. dealt mainly with day-to-day casework on tax, though towards the end of the administration hanks, Mr. Denzil Davies was given National more responsibility on the Bank- controls and exports credits.
ing Act and on EEC matters.

Lord Cockfield, Minister of ing Act and on EEC matters.

> Mr. John Biffen, the Chief Secretary and a member of the Cabinet like Mr. Barnett, will deal with general public spending issues, public service pay, and industry—including nation-alised industries, and energy.

Mr. Nigel Lawson, the Financial Secretary, will relieve Mr. Biffen of some of the publicspending burden. He will normally deal with detailed work, including the EEC budget, agriculture, some local authority matters and disposals of assets. He will also deal with Parlia-

mentary financial business including the Public Accounts

Mr. Lawson will assist the Chancellor on monetary policy, building exchange Savings,

Under the new arrangements State, will deal with major policy questions on income and corporate taxation, policy on capital taxes, development land tax and other major issues of fiscal policy.

Mr. Peter Rees, the other Minister of State, bas been given responsibility for casework from both the Customs and Excise and the Inland Revenue. In .Customs policy issues, Petroleum Revenne Tax and Inland Revenue policy (except as bandled by Lord Cockfield).

He will also handle the

Bricklayers

lured by

German pay

BRITISH building workers are

io big demand for high-paid jobs io West Germany and ageots

for the German construction

industry are tempting away bricklayers with £300-a-week

wages, free travel, accommoda-

tion and medical insurance.

This has compounded the Bri-

A survey by Building maga-

England and Scotland, where

cootractors bave been reporting chronic shortages of building

German contracts—about 50 bricklayers a week are being

rigned up by just one agent.

West Germany, already with

a bigh proportion of foreign labour, is finding skilled workers

in short supply and under EEC

rules vacancies can be advertised

The Department of Employ-

The Liverpool region of the

National Federation of Building

Employers, represents 300 local coocerns, meets to discuss the problem

the German car company.

tisb manpower sbortage.

workers.

Treasury minor departments, including the Royal Mint. Tha Chancellor has appointed Mr. Ian Stewart, MP for Hitchin, to be his Parliamentary Private

Co-operative Union | NUPE gives ultimatum of to debate future of its small stores

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

operative retail stores is one that co-operative retail societies the main issues to be dis- have to respond to economic cussed at the Co-operative pressures, but suggests that Union's annual coogress in East-"there is the possibility that Union's annual coogress in Eastbourne oext week.

A resolution on the congress unnecessarily." agenda, published yesterday. calls for an urgent study of Street supermarket multiples, it is claimed resolution's supporters that the them." that "some Co-operative mem-

a consumer-orientated organisaclaimed that some co-operative

THE FUTURE of small co- Bury District Society, recognises some small units may he closed

Apart from small sbops, the other key issue on the agenda the problems and policy for for debate is the future of the small shops. The numbers of dairy industry. The co-operative small co-operative stores are movement is one of the largest declining rapidly, along with milk retailers in Britain, and other small grocers, because of the resolution from the Bristol rising cost pressures and the and Bath Society opposes EEC greater competition from High moves for the dairy trade, which Street supermarket multiples. It is claimed "discriminate But delegates at the con-against British dairy farmers feraoce will be told by the and could mean disaster for

 Small grocers are also increasingly becoming worried bers are being denied a service at manufacturers' policy of that they would expect from giving bulk order discounts to asumer-orientated organisa-eoables tham to offer lower addition, it will be prices. The Government's attito such discounts is secieties are reluctant to create unlikely to be made known larger, more efficient societies, before the Monopolies and because of fears that small Mergers Commission report on sbops would be closed down. manufacturers discounts is pub-lished at the end of the year.

Welsh Labour Party inquiry into its role

inquiry into its organisational

The inquiry, agreed at the party's annual conference in Llandndno, Gwynedd, at the weekend, has been prompted by the General Election and

steady erosioo of Labour support within Wales. In 1966, Lahour held 32 of the 36 Welsh seats, leaving the Conservatives with three and the Liberals ooe. As a result of this mooth's Geoeral Election, Labour oow holds 21 seats.

third in a number of seats which not long ago it held comfortably. It was conceded by the

and Municipal Workers' Union work.

six schemes bave been chosen

Details of the winning entry will be published in the Financial Times on December ?

when a lunch will be held in Goldsmiths Hall to present the

The assessors for this year's

award are Sir Charles Trough-

too, the lay assessor, and archi-

ectural experts Trevor Dan-

SBS Warebonse, Longmead

Estate.

Properties. Designer: Jestico and Whiles. Builder: Geoffrey

Industrial Therapy Uoit, Long Grove Hospital, Epsom. Surrey. Owner: South West

natt and John Partridge.

The six finalists are:

the

staodsrd was very high.

as finalists.

Industrial

Surrey.

Osborne.

Six designs in finals of

Financial Times Industrial Lowry and Puttick Architecture Award this yesr, Tandberg Develo

winning

Epsom,

Matthews

As usual the

FT architecture award

Trade Secretary appoints Hunt

as his Parliamentary Private

Power men step up wage talks

By Our Labour Editor POWER STATION stewards decided at the weekend to step up the pressure for a pay settlement that would put the 90,000 workers in electricity supply

above the "going rafe" of about 15 per cent on earnings. They called on their union occotiators to give 21 days notice of industrial action if resumed talks on Jooe 7 de ot bring a better cash offer from the Electricity Council-The unofficial joint shop

stewards committee. meeting biger basic rate increase, the immediate consolidation of bonus payments into basic rates, an extra five days' boll-

An offer of 9 per cent on hasic rates, consolidation by October next year, and other frioge improvements—worth jected three-to-one in a ballot of the four unions' member

The stewards, who predicted the ballot result, have not, however, been looking for a fight this year. Their resolution at the weekend said that ootlee should be given was no settlement on June 7. nology had to be handled with valive Government.

THE National Union of Public a definite date but the 750 delegates voted overwhelmingly in favour of taking action from January 1 if no date had been

Health Service private patients from next January 1 unless a Mr. Bill Geddes, of North date was given for removing Hammersmith Hospital, said that private practice had its hand round the neck of the Health Service and NUPE The decision by the union's members had a duty in cut that Scarborough firmly opposes hand off.

action over pay beds

notice

the level of NHS private beds He added: "Every single rich bastard who comes into bospital will only get treated and to increase the number of as if he had come in as a National Health patient, and not because he has the money to pay for a consultant."

campaign last winter severely disrupting bospitals and other Conference also called for the poblic services, is in line with a recent decision by the immediate nationalisation without compensation of the pharexecutive of the Confederation maceutical industry the aboli-tion of prescription and other of Health Servica Employees. represents hospital NHS charges, and pledged sup-port for the occupation of staff - including porters, cooks, and nospitals clinics or schools The unioo's executive bad threateoed with cuts or closure. urged a more moderate line which did oot tie tha union to

Mr. Alan Fisher, general back the political clock. secretary, said that the Govern- Men and Matters, Page 16

mics of the graveyard." Trade unionists were going to face real difficulties but they had to live with this Government.

Its policies, though, should be based on need rather than greed. H Mr. Michael Heseltine, Environment Secretary, carried out plans to cut back on local Government, Mr. Fisher said the country faced 2m unemployed by the end of the year.

The Government had not yet dismantled the Clegg Commisalon, on pay comparability. It had similarities, though, with the Heath Government in 1970, which abolished the pay board only to hring in a pay freeze. The union's pay campaign was

settled last winter by referring its claim to the commission. Mr. Tom Griffiths, outgoing president, said that in Mrs. Margaret Thatcher the country had a Prime Minister whose noashamed ambition was to furn back the political clock.

French-style tax relief proposed

THE PRIVATE iovastor should of producing new capital to be encouraged to invest through enable iodustry to modernise tax relief schemes modelled on and expand in order to make it tax relief schemes modelled on Government's Richard, the chairman of the

Scottish Stock Exchange. At the exchange's annual meeting at Aviemore over the weekend be said: "I urge the Chancellor, in his Budget, to give consideration of the measures introduced by the French Government in July 1978 which encouraged French people to iovest in French companies by making such invest-ments allowable for income tax

He said that the Freoch measures were taken in order to associate investors with Government Exchange was an efficient way last 10 years or more."

competitive with foreign com-

"This has already produced a octiceable increase in the number of companies raising money through rights issues,

He said that the UK 1978 Finance Act did create certaio able for profit-sharing schemes, but these ware only available if a number of conditions were

"This measure, by the last government, at least makes a start in jocreasing the spread of share ownership, but much remains to be done to redress the imbalance between that private investor and the institutional investor which has been believed that the Stock continually increasing over the

Spending cuts could hit homeless and pensioners'

GOVERNMENT ture could make life even worse for those who could least afford a cut in their living

Shelter, the pressure group repeated its claim that the Tory policy of selling council houses would inevitably add to the problems of those families oow oo council waiting lists, while Age Concern warned that public speoding cuts could hit pensioners and other underprivileged groups.

Mr. Niel McIotosh, Sbelter's director, said that the Govern-ment's housing policy offered no bope for the 3m families now living in sub-standard housing. Nor, be maintained, would it save public mooey. The

wss Government, he said, had called

concede in its weekeod submission to the Government that some of the Conservatives' plans-such as the promise to abolish the earnings rule for old age pensioners—were to be welcomed. But it emphasised very carefully hefore introducing measures which could cut the living standards of

Harbour Company is to close users over possible alternatives the Nelson Salisbury passage in after the company found it Liverpool's North Docks system indefinitely from July 1 as an

London WIX 3DB.

warned at the weekend that its their proposed discounts on the "exceedingly generous." Yet someone bad to pay for this would he those who were already badly boused.

In contrast, Age Concern did

those least able to afford it.

Liverpool dock passage to shut

THE MERSEY Docks and months of discussion with port

decision follows six viding oo financial return.

The organisation also said it was worried that the Governmeot might discontinue the

practice of linking pension increases to the rise in earnings.

would need to spend about £160,000 on new machinery, as

well as beavy maiotenance and

manning costs, for a facility pro-

It sald: "The sbortage of skilled building workers bere is not, of course, caused solely by peopla leaving for overseas jobs -but it is a contributory factor. On Merseyside at the moment the Department of Employment has 275 bricklayers registered as unemployed, yet employers

Shortage

are finding it difficult to fill vacancies.
"It is difficult to see what we can do about it. Perbaps some people prefer to b supplementary benefit."

One local employer who applied for 10 bricklayers earlier this month bad only one application.

Some of the huilding workers who go to Germany are working for three- or six-month terms and then returning bome for a break between contracts.

Ironically, British employers say that because of the growing shortage of skilled craftsmen, a good, hard-working bricklaver can in some areas essily match the rate of more than £4-an-hour his German connterpart earns.

Metal casting has a future.

No trade fair shows that

BY ROBIN REEVES, WELSH CORRESPONDENT

THE WELSH Labour Party has said the claim that Labour was decided to set up a special the party of Wales, had now structure and the role it should play in Welsh politics in the The inquiry, whose report will be the subject of a special

zinc shows many of the skilled recruits are from the North of devolution defeats and by the Figures indicate that several Figures indicate that substitute bundred men may be taking up

It was swept out of all but one seat in rural Wales and came

Car workers living in Birm-ingham and Oxford bave already heen offered jobs by Porsche, leadership in a private session Secretary.
at the conference that the Com. Mr. Hunt, a 36-year-old servatives and Plaid Cymru solicitor, entered the Commons both have larger Party mem. in March 1976. He is President meet has now asked Merseyside building trade employers whether they nhject to a rash of local advertisements for jobs

servatives—the price to exclude profits made in the intervenlog

conference, promises to revive

The conference also passed

an emergency resolution de-

mariding that the next Labour

Government renationalise in-dustries sold off by the Con-

been rudely shattered.

MR. JOHN NOTT, Secretary of State for Trade, has appointed Mr. David Hunt, MP for Wirral,

berships in Wales than Labour, of the British Youth Council Urging; the inquiry, Mr. and was awarded an MBE in Philip Rosser of the General 1973 for his services to youth

Tandberg Development Phase

I, Tandberg Electronics, Gates

hesd, Hsddington, Scotland. Owner, Tandberg Electronics. Designer: Michsel Calthorp and

Campbell Mars. Builder: Hol-

(Scotland).

IBM

Designer: Darke. I

trade fair

the congress

Hnrsley

Hannen and Cubbits

ICI staff discuss microchips use BY NICK GARNETT, LABOUR STAFF pressure

TENTATIVE proposals bava

heen made by Imperial Chemical Industries t its white-collar unions for the introduction of microprocessors or microchips, on a large scale. The company began discus-

sions with union representatives through its local oegotiating machinery. This has since been taken up at joint meetings between the company and its white-collar uolons. Mr. Maurice Reed. national officer of MATSA, the white-collar section of the General and

Muoicipal Workers' Union, said yesterday that the company had still to out forward detailed There were dear signs, how ever, that the proposals would mean considerable redeployment

mean considerable redeployment of staff, retraining and "deskilling" of some jobs.

The proposals apply so far to delerical staff and some higher grades, including supervisory personnel. Mr. Reed sald that there would also be great implications for the company's manual workforce.

He told be General and Municipal's annual conference, which

cipal's annual conference, which opened in Torquay yesterday, that microelectronics would make some skills obsolete and cut manning levels.

social responsibility," not left tn free market forces, Mr. Clive Jenkins, ganeral secretary of the Association of Scientific Technical and Managerial Staffs. said at the weekend

He told his union's annual conference that the creation of new jobs during a worldwide recession was "a colossal prob-

He also warned the Conserva tives that his union would fight their policy of selling off profit able parts of nationalised indus-tries and "aoy attempts to introduce amendments to trade union law designed to erode the hard won and limited advances secured under employment protection lagislation.

Textile union rejects free bargaining call

A MOVE aimed at tying woollen workers to indefinite opposition to wage restraint was thrown out yesterday by the National Union of Dyers, Bleachers and Textile Workers,

But the decision of the union's conference in Southport was not meant to he a sympathetic gesture to the Conser-

Strike aid law reform proposed

REDUCING. · state armer cootrol over their members and over unofficial action.

No. 3 Basin-RMAS Maintenance and Sopport Centre, Royal Naval Base, Portsmouth, Hants. Owner: Property Seron strike.

vices Ageory (DoE). Designer: Arup Associates. Builder: George Wimpey. (UK) Laboratories, Park, Nr. Winchester, Owner: IBM (UK) Darbourne Builder: Trollope 200

North Sea Gas Terminal— Total Oll Marine, St. Fergus, the study. "Financial Support, for Srikers." published today. While the document is inteoded to be a basis for dis-Aberdeeoshire. Owner: Total Oil Marine. Designer: Archi-tects Design Group. Builder: Thames Regional Health Authoritects Design Crity. Designer: Harding and F. J. C. Lilley.

strikers would help unions gain statement it builds up to two

Federation suggests today. The Conservative election manifesto cootained ao under-

week was silent on the subject, suggesting that the Govern-

ment is not about to burry into action in a potentially delicate to make representations to Ministers on the basis of the

factual information disclosed by

options for possible reform in These are deeming strikers to

of pay from their union wheo applications are made for carried their "fair share" of treating supplementary beoefit the cost of supporting members paid to strikers' families as recoverable loans. The report coocludes that the

first proposal which bas received "rather more support" thao treating supplementary benefits as loans, could lead to a substantial reduction in the amount of social security heneunioo strike pay: increase the cost to unions of supporting strikes and lead to greater control of unions over their members.

It could also reduce the level

dependent on unions for strike pay and more reluctant to be receiving a certain amount strike. On the questinn of whether

union leaders should be pre-sumed to be praviding strike pay eveo in cases where they had expressly repudiated an unofficial strike the document concludes that "even if not completely logical" this would give unions more control.

The EEF says that State support for strikers' families "must often have an effect on the williogness to prolong a Stoppages lasting more than

two weeks—the qualifying period for benefit—had risen from 8 per cent of all disputes in 1965-65 to 17 per cent in 1970-78.

The World-wide display in Düsseldorf. We are looking forward to your visit!

grammes from: International Trade Fair Agencies Ltd., 2, Old Bond Street,

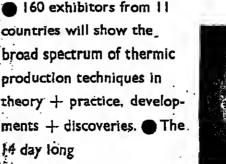
more clearly than GIFA, with 452 exhibitors from 26 countries, the world's biggest market for the foundry trade and thus the No. I trade fair. GIFA will show the international state of development of all manufacturing processes using foundry techniques, smelting techniques, moulding and casting machinery and handling processes. With a clear insight into the future GIFA will give the necessary help for decision taking in improving efficiency and competitiveness. Further information and Congress pro-

9th-15th JUNE





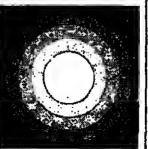
9th-22nd The event which every specialist in thermic production must visit.



3rd International Exhibit the exhibitor seminars and demonstrations will

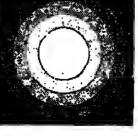
offer a complete review of the latest development and discoveries,

JUNE



ion and Congress for Industrial Furnaces and Thermic Production

ment and know-how for the



Congress days: 1-th+2ist |une from 22 countries will show the world-wide range of metallurgical plant, equip-

Information link for the

industry: 312 exhibitors

international metallurgical

iron, steeland metal industry. Trade fair,

congress,

exhibitor seminars and excursions

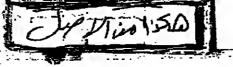
will form a unique international platform for information, discussion and planning for the eighties.

16th - 22nd JUNE

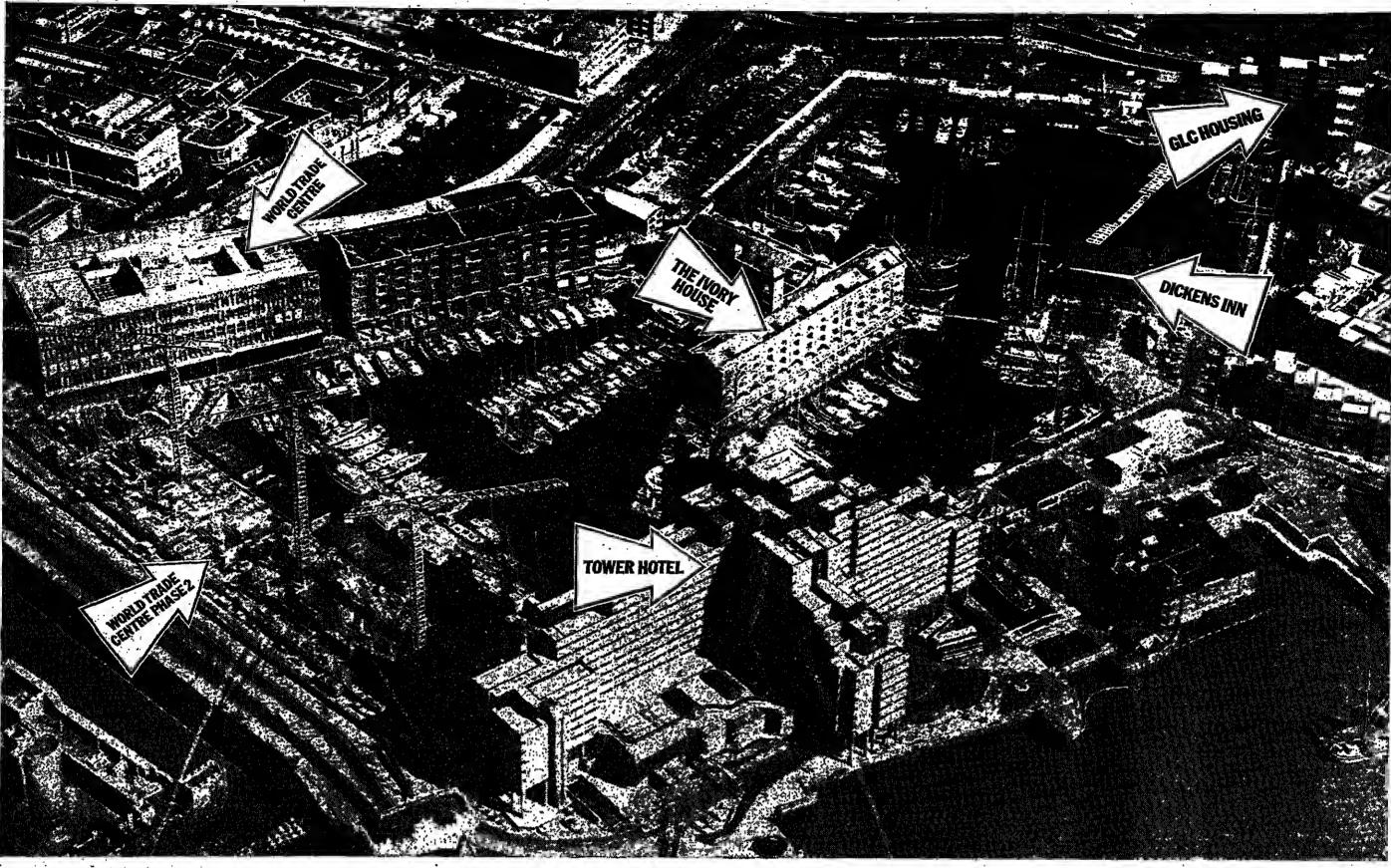


international Exhibition and Congress for . Metallurgical Technology and Equipment

Congress days: 18th+19th+20th June



London's Docks live again.



There have been no cargoes now for 11 years, but life is returning to Thomas Telford's famous St. Katharine's Docks, near Tower Bridge. Taylor Woodrow won the competition to rejuvenate the 30-acre site in 1969, and an imaginative, ambitious and exciting scheme has gradually unfolded.

St. Katharine's is now a World Trade Centre, a community, a leisure and sports centre, a place to visit and a place to enjoy.

London has been a centre for world trade since Roman times. Now, with the new World Trade Centre on the doorstep of the City's famous 'square mile,' our capital can once more emphasise and profit from its involvement in international trade. Yet, it is the unique environment created at St. Katharine's which has won the acclaim of businessmen, visitors and local people alike.

Great respect has been paid to the original basins and buildings. The Ivory House, 1854, is retained as the centre piece. An 1800 brewery, since re-named Dickens Inn, has been carefully preserved and restored. Its timber skeleton, weighing 180 tons, was jacked up and winched to a new site 100 yards away. Now you can eat, drink and be merry there.

Already completed is a yacht haven and a maritime museum, housing Thames craft of the past. There are homes for 900 people, shops and a wide choice of restaurants. There is a magnificent, 826-bedroom hotel, and this will be linked to the spectacular Phase Two development of the World Trade Centre.

The total project, carried out in partnership with the Greater London Council, has been conceived, planned, engineered, financed, built and managed by Taylor Woodrow. Could we help solve your urban renewal problem?

EXPERIENCE, EXPERTISE AND TEAMWORK, WORLDWIDE MODD

Taylor Woodrow is a team of companies providing employment for some 25,000 teamworkers throughout the world. We offer a comprehensive, worldwide service from

ropose

feasibility study, research, design and construction right through to commissioning. That's total teamwork.

If you'd like to know how total teamwork pays and how we could work with you and for you, take the first step now. Ring Ted Page on 01-578 2366, or for overseas ring Don Venus. on 01-997 6641. For enquiries about the World Trade Centre or potential urban renewal projects ring Jim Murphy on

Or cut out the coupon, having ticked the boxes that

interest you, and send it to us.

Woodrow Construction Ltd, Taywood House, 345 Ruislip Road, Southall, Middle Urban Renewal or World Trade - World Trade Centre, London El 9AA.

Teamwork across the World, Group Brochure □

Annual Report
Taylor Woodrow in research, design and construction
Taylor Woodrow in project management
Taylor Woodrow 'Directory of Services'

Taylor Woodrow 'Directory of Services'

Taylor Woodrow in mechanical, electrical and process engineering □

For any other information about Taylor Woodrow, write your request.

Company address Position held.

We are the wholly-owned subsidiary in Luxembourg of Badische Kommunale Landesbank, a leading German bank headquartered in Mannheim. Our Eurobanking services include dealing in the

Money Market and Foreign Exchange

Our Euro-specialists have we trade in fixed-interest the proven ability to deal securities. successfully in the money To find out more about our markets both on an inter- Europanking services just bank and institutional basis contact: - end the skill to provide effective foreign exchange cover for clients active in international trade.

Complementing nurmoney L Ottaviani – markels and inreign ex- Money market change operations, we exchange dealing; manage nr participate in fixed-interest or roll-over • Dr.H.Braun - syndicated Euroloans; end Security trading

 Albert Feilen – Managing Director, Syndicated Euroloans;

Money market and Foreign

BADISCHE KOMMUNALE LANDESBANK INTERNATIONAL S.A.

9, bd. Roosevelt • P.O. Box 626 • Luxembourg-Ville • Tal. 475991-1 Tel. 475315 (Dealers) • Telex: 1791, 1972 (Dealers), 1793 (Cradits)

London to Atlanta, Georgia non-stop every day at 1225 Only on Delta



Only Delta Air Lines flies you non-stop from Gatwick to Atlanta, Capital of the U.S.A's Sunbelt. Call your Travel Agent. Or call Delta Air Lines in London at (01) 668-0935, or call Crawley (0293) 517600. Delta is ready when you are . ADELTA

Schedules subject to change without notice.

COMPANY NOTICES

NESTLE S.A., CHAM AND VEVEY, SWITZERLAND

PAYMENT OF DIVIDEND COUPONS

Notice is given to shareholders that following a resolution passed at a Goneral Meeting of shareholders held on 17th May 1979, a dividend for the year 1978 will be pald to them as from 21st May 1979, as follows:

less Swiss federal withholding tax of 35%

against delivery of coupon No. 22.

Frs.25.20 Fr.s.46.80

This amount is payable in Swiss Francs. Paying Agents outside Switzerland will pay in the currency of the Country in which the coupons are presented, at the rate of exchange on the day

Coupon No. 22 may be presented as from 21st May 1979, to the following Paying Agents of the Company:

In Switzerland:

Swiss Credit Bank, Zurich, and its branches, Swiss Bank Corporation, Basie, and its branches, Union Bank of Switzerland, Zurich, and its branches, Banquo Populaire Suissa, Berne, and its branches, Banque Cantonale Vaudoise, Lausanne, and its branches

Banquo Cantonela do Zurich, Zurich, and its branches. Banquo Cantonale de Barne, Barne, and its branchos, Banque Cantonale Zougoise, Zoug, and its branches, Banqua de l'Etat de Fribourg, Fribourg, and its agencias, Darior & Cie, Goneva, Lombard, Odlar & Cie, Ganeva,

Pictat & Cia. Ganava. Handolsbenk N.W., Zurich, and its branch. Bank Lou Ltd., Zurich, end its branches,

in England:

Swiss Bank Corporation, London, Swiss Credit Bank, London Union Benk of Switzerland, London,

In the United States of America:

Morgen Guaranty Trust Compeny of New York, New York, Swiss Credit Bank, New York, Swiss Bank Corporation, New York,

Crédit Commercial de France, Paris,

Banque de Paris et des Pays-Bas, Paris. In Germany:

la Holland:

Dresdnor Bank AG, Frankfurt/Main and Düsseldorf,

Pierson, Heldring & Pierson, Amsterdam,

In Austria:

Girozentrale und Bank der österreichischen Sparkassen AG,

Cham and Vevey 17th May 1979

The Board of Directors

UNILAC, INC.

PANAMA

PAYMENT OF A DIVIDEND

Notice is given to shareholders that following a resolution passed by the Board of Directors on 11th May 1979

a dividend for the year 1978 of \$5.50 per common share will be paid to them as from 21st May, 1979, upon delivery of coupon No. 22 and this in accordance with the

provisions of the Articles of Incorporation.

This dividend is payable in U.S. dollars. Paying Agents nutside the United States will pey in the surrency of the country in: which the coupons are presented, at the rate of exchange on

the day of presentation. Coupon Nn. 22 may be presented as from 21st May 1979, to the Paying Agants indicated in the notice of Nestlé S.A. bearing the sama date. In accordance with the Articles of Incorporation of the Company, it should be presented for payment at the sama time as dividend coupon No. 22 of Nestië S.A. baaring the sama number as the corresponding Unitac, Inc. share,

Panama City 17th May 1979

The Board of Directors

UK NEWS

NEWS ANALYSIS—TRADING STAMPS

BY DAVID CHURCHILL

A nose-dive in popularity

TRADING STAMPS are the Under the deal with BAT, least popular method of influenc- Argos will continue to act as ing consumers' choice of shop, according to a survey published Shield stamps but it is obviously by the Institute of Grocery a far from satisfactory position

The survey shows that stamps were ranked bottom out

larly saved trading stamps—for

gests that the future for Green Sbield ia even stickier.

But that is not the only intriguing part of the Argos daal. What will be puzzling City analysts this morning as they catch up with Friday's moves. will be just wby BAT has moved further into retailing when, after four years' trying with International Stores, it has yet to prove it understands how to make money from retailing. Intarnational produced a £5m trading loss in its last financial

It is the future of Green Shield, bowever, which seems of immediate concern since its fortunes for the past year have bean inextricably linked with Argos. From a position two years ago when Green Shield had nearly 90 redemption centres throughout the UK all Green Sbleld stamps since last summer have been redeemable only at Argos showrooms.

redemption centres for Green

But, more importantly, the

Tha Green Shield formula was based on the classic retailing technique of buying cheap and selling dear. Green Shield was a major purchaser of electrical and bousebold products from manufacturers, which were then "sold" to customers with trading stampa.

From this basic framework Green Shield success snow-Green balled. Supermarkets and garages were anxious to use trading stamps as a promotional weapon to secure higher sales. As stamps became more popular so Green Shield was able to increase its bulk buying from manufacturers and so raise its profitability. Green Shiald thus became primarily a discount operation — relying on everincreasing demand for stamps to boost its buying power.

Moreover, since consumers were "buying" with stamps in-stead of money consumer-awareness of Green Shield's prices was pot acute-unlike the price sensitivity for a normal discounter. And Grean Shield also benefited from the cash-flow advantages of selling pads of stamps to retailers which were not usually re-

deemad for several mosths.

The flaw in Green Shield's formula was made all too obvious in 1977 when Tasco decided that straight price cuts would he a greater promotional weapon than trading stamps.

Tesco's decision to pull out of stamps was followed by other and a doubling of profits to supermarket groups with a resupermarket groups with a re- £5m.

sult that no national supermarket chain now gives stamps. means that it has lost the hasic progress of Argos will be
And as petrol soared in price— discounting formula, which closely watched.



MR. RICHARD TOMPKINS One of Britain's richast man

supplies also hecame concarn—the number of petrol stations giving stamps has dropped sharply.

But Mr. Tompkins seemingly anticipated the decline in trading stamps hy setting up, in 1973, the Argos discount stores suggests that his appetite for chain to take advantage of making monay from trading Green Shield's existing huying activities may now be satisfied. distribution and

facilities. Argos, however, operates slightly differently to other discounters in that it produces catalogues free for customers to enable tham to make huying decisions at homa.

After a disastrous trading start for Argos-caused by the problems imposed by the 1974 three day wack—Argos has

made stamps so profitable. Without Argos, Green Shiald can no longer "buy cheap and sell dear" but instead will itself be buying from Argos the products redeemed by stamp savers.

While Green Shield bas been concentrating on developing new markets for stamps such as industrial incentives and areas like botels and bolidays -there seems little chance of a major upsurge in demand for stamps. Even if there was, a Green Shield without its buying and distribution facilities would only be a shadow of its former

Appetite

The other key factor in Green Shield's future is Mr. Tompkins, who was 61 last week. Three years ago he bad a heart attack years ago ine state in a London hospital recovering from sur-gery. With the £31m he will receive from BAT for Argos (BAT is also injecting an immediata £4m into Argos), Mr. Tompkin's position as one of the richest men in Britain is

His sale of Argos, however,

suggests that his appetite for The question now must ba whethar he could find a huyer for Green Shield—BAT appa-rently did not want it—or whether his personal fortune would allow him to keep Green Shiald for santimental reasons rather than strict profitability. Whatever happens to Green Shield, BAT seems bappy with its Argos acquisition which should at least hoost its retailturnover to top £105m in this following the losses made by year—up from £89m last year—

International Rut Parts

International Rut Parts

International Rut Parts track record of diversifying

Channel train tunnel would cost Tokyo-based £518-£650m, says British Rail

BY IAN HARGREAVES, TRANSPORT CORRESPONDENT

BRITISH RAIL, says its pro- tions, it says that studies taking third-rail electric system used posed rail-only Channel tunnel would cost between £518m and £650m, depending whether the design includes a secondary ser-

of the tunnel by 1988, when it would carry 6m passengers and

Interest

rate fall

forecast

financed without upward pres

Government stock should follow the decline if the Government

takes tough action on the bor-

Stockbroker Montagu, Loebl.

Stanley and Co. says, in its

latest circular, that the Chan-

ceilor bas little choice but to introduce a deflationary budget on June 12.

It believes that a net defia-

tion of about fibn is necessary

to bring the Public Sector Bor-

rowing Requirement safely

below the previous Govern-

ment's ceiling of £8.5bn for

The business forecasting

group Charterhouse argues that

a deflationary budget is likely

to contribute to the slowing

In its latest economic review

it says Britain cannot escape the

adverse effects of a world

economy which is itself heading

UK export growth will therefore slacken - apart from in

oil - and Government spend-

and capital items will slow to-

down of the UK economy.

rowing requirement.

Oil prices

The tunnel would operate on

three hour cycles, during which 5m tonnes of freight a year, there would be a "flight" of Both figures would be expected trains in each direction, with to increase by 2.5 to 3 per cent a maximum speed of 75 mph. trains, a year thereafter. The initial This would offer a London-Safety measures proposed level of traffic would be 60 per Paris journey in 4 hours 30 include complete reversibility cent of the tunnel's capacity. Ininutes and London-Brussels
Although the report does note in 4 bours 10 minutes.

give detailed financial calculate. It has been decided that the

It has been decided that the one time.

in British Rail's Southern Region would not ba sultable into account only the direct for the tunnel, even though over-head electrics will increase the dimensions required, and there-

British locomotives would have to be capable of operating on both systems.

The paper says there would be only a limited diversion of traffic salary paid to an expatriate of away from ferries, because the senior managerial status, plus tunnel would not be able to car, accommodation and all

for all trains and a maximum of 10 trains inside the tunnel at

Mercedes T-series launched in Britain

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

By David Frend INTEREST RATES are likely to fall further in spite of the upward pressure resulting from the public sector pay compara-hility exercise, according to City stookbrokers Phillips and Drew. The firm says in its latest double that number in 1980.

circular that the comparability of 7,000 cars, the same as last have a 1.6 litre engine. year. Next year, the estates could be trastad differently exercise is a major problem if "the Public Sector Borrowing Requirement is to be limited to an amount which can he Production at the Bremen plant is expected to reach 30,000

sure on the monetary guideline and on interest rates." Nevertheless the firm expects planned. the new administration to adopt a rigorous policy on cash limits to prevent a sharp increase in the horrowing requirement.
It says that sterling is likely production to other plants, par- year. to be relatively well insulated

by North Sea oil against the effects of a likely recovery in the U.S. dollar.
This gives scope for U.K. short-term interest rates to fall further, since the expected slowdown in the UK economy will cut back domestic loan demand. Yields on longer-dated

ouble that number in 1980. company says will he "bighly The 1979 estates will form economical and low-pollutant" part of the UK car allocation and which it is suggested will

year. Next year, the estates could be trastad differently became involved with the because output in Germany is to be hoosted.

Already, since Mercedes Mercedes involved with the Bremen plant in 1969, some DM 300m (£79m) has been spent to refurbish it.

ticularly to Dusseldorf, leaving Immediately for save are the capacity for another 50,000 240TD, priced at £9,800, which has a 2.4 litre, four-cylinder and the 280TE, By the mid-1980s Bremen, the diesel engine and the 280TE, former Borgward plant, will be price £13,000, powered by an come the centre of a major 2.8 litre, six-cylinder engine.

'Gilt-edged tactics may need revision?

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

need revision suggests the issue. latest monetary bullatin from Tha

edged stock when prices are falling but to wait until prices minimum price. have started to rise.

should be changed accordingly target range.

The brokers point nut that The firm argues that the investors have been able to rely sterling M3 figures are giving a on obtaining a new issue close misleadingly low impression of to the bottom of the market monetary growth with expan- \$274m and withdrawals at only

stocks have been oversubscribed explained by the impact of ing in real erms on both current and several have beco issued delays in Government trans- ficates, which produced nearly and capital items will slow to in a partly paid form. The actions resulting from tha civil £87m. The industrial action wards an growth in real terms. most important change was the service industrial dispute.

MERCEDES-BENZ lannebes in expansion of Mercedes car out-the UK lts T-series range of put. About DM 1bn (£253m) is estate cars, priced hetween to he spent to develop a neigh-£9,800 and £13,000, today, and bouring site for the production expects to sell 600 this year and of a new Mercedes car which the

Three new estates will be this year, more than originally evailable in the UK, but the one planned.

The estates are assembled popular, the 250T with a 2.5 alongsida light commercial litre six-cylinder petrol engine vehicles at Bremen, but Mer and priced at £11,000, will not cedes is to switch commercial be available until later in the

THE APPROACH of investors introduction on March 22 of

to the gilt-edged market may the partial tender method of latest monetary bullatin from The authorities may still stockbrokers W. Greenwell.

The brokers, leading comgilt-edged prices are close to mentalors on the gilt-edged a cyclical trough but there is market, note that in the past no guarantee that the striking it has often paid not to buy gilt-

The bulletin also discusses But the circumstances making the money supply figures pub-this profitable have already lished last Thursday and conchanged considerably and are cludes that monetary growth is DISTORTIONS resulting from likely to alter further. Gilt-currently just above the 12 per industrial action by civil edged tactics in a bear market cent upper limit of the official servants helped swell the

be considerably above the

for recession due to the rise in and there were no over-sub- sion at an annual rate of 7 per £44m fell dramatically as oil prices.

By Hazel Duffy COMPANIES contemplating the appointment of a senid representative to Tokyo should eckon on the exercise costing about according to a study of living costs in Asia published by the Confederation of British Indus-

try today. The estimate includes the

Some of the beaviest costs

£1,091.

severe

THE British economy is heading towards recession and a deflationary June Budget will only make matters worse, fore-casts the Charterhouse Group's quarterly economic review out

The country, it says, faces severe long-term problems, lucluding inflation and unemployment, which will never be solved unless annual pay increases are cut back to three ment, or four par cent. And this is unlikely in the foreseeable future with an average rise of 10-11 per cent forecast by tha report for next year.

Inflation, it forecasts, will be pushed bigber by increases in indirect taxes and will reach an annual rate of 124 per cent later this year, offsetting wage rises and stopping the growth in consumer spending, sparked off by income tax concessions,

last month by £230m to £11.81bn, Receipts totalled result of the civil servants and September, 1976.

Some of the recent under- action. The biggest contributor However, since 1976 some lying buoyancy may partly be to receipts was the new 18th issue of National Savings Certi-

cost put at £100,000

MINIMUM TENDER PRICE 295.50 PER CENT

car, accommodation and all allowances. The study says that as a very general guide. expatriate managerial staff in Japan require an increase of 300 to 400 per cent over gross UK salary to maintain living standards.

are in food and bousing, with steak at £39 a kilo and butter at over £3 a kilo. The cost of running a car is increased considerably by the Japanese equivalent of an MoT test, the charge varying from £218 to

Hong Kong is the next most expensive city in Asia for expatriate managers, although the annual cost at nearly £40,000 is considerably less than in Tokyo. In contrast, Bangladesb and Sri Lanks emerga amongst the cheapest countries in Asia. There the costs would be £12,504 and £13,479 respectively.

Britain 'faces recession

National Savings rise to £11.8bn

Financial Times Reporter

National Savings Department's total funds under management TENDERS MUST BE LOOGED NOT LATER THAM 10.00 A.M. DN WEDRESDAY.

ZERD MAY. 1979. AT THE BANK OF ENGLAND, NEW ISSUES. WATLING
STREET, LINDON. ECAM BAA, IR NOT LATER THAN 3.30 P.M. ON TUES.
OAY, 2200 MAY, 1979. AT ANY OF THE BRANCHES OF THE BANK, OF
ENGLAND IR. THE GLASGIW AGENCY OF THE BANK, OF ENGLAND.

TENDERS MUST GE IN SEALED ENVELOPES MARKED. TREASURY.

TENDERS.

ISSUE BY TENDER OF 1880,000,000 11½ per cent TREASURY STOCK,

Financial Times Monday May 21 1979

2001 - 2004

MINIMUM TENDER PRICE 495.50 PER CENT.

PAYABLE IN FULL WITH TENDER.
INTEREST PAYABLE HALF-YEARLY ON 19th MARCH AND

INTEREST PAYABLE HALF YEARLY ON 19th MARCH AND

19th SEPTEMBER.

This Stock is on investment lailing within Pert 11 of the First Schedule to the Trustee Investments Act 1961. Application has been made to the Council of The Stock Exchange for the Stock to be admitted to the Official List.

THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND are authorised to receive tendars for the obove Stock.

The principal of and interest on the Stock will be a chorge on the National Loans Fund, with recourse to the Consolidated Fund of the United Kingdom:

Loans Fund, with recourse to the Consolidered rund of the Antendringdom:
If not previously redeemed, the Stock will be repaid at per on 19th March, if not previously redeemed, the Stock will be repaid at per on 19th March, 2004, but Her Majasty's Treasury reserve to themselves the right 20 redeam the Btock in whole or in part, by drawings of otherwise, at per on or of only time after 19th March, 2001, on giving not less than three months natice in the London Gazette.

The Stock will be registered at the Benk of England or of the Bank of Ireland, Belfast, and will be transferable, in multiples of one new penny, by instrument in writing in exceptione, will be Stock Irelaster Act 1963.

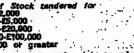
Transfers will be free of stemp duty.
Interest will be free of stemp duty.
Interest warrants will be treasmitted by post, The first payment will be made on 18th September, 1979, at the rate of £3.7494 per £100 of the Stock.

made on 18th September, 1979; at the rate of 23.7494 per 2100 of the Stock.

Tenders must be lodged not later than 10.00 a.m. on Wadnesday, 23rd Mey, 1979 at the Bank of England, New Tespoes, Warling Street, London, ECAM 9AA, or not later than 3.30 p.m. on Tuesday, 22nd May, 1979, at any of the Branches of the Bank of England or at the Glasgow Agency at the Bank of England. Each teoder must be for one emocunt and at one price. The minimum price, below which tendors will not be accepted, is 195.50 per cent. Tenders must be made at the stillimum price or at higher prices which ore multiples of 25p. Tenders todged without a price being stated will be deemed to hove been medo at the minimum price.

Tenders must be accompanied by payment in full, i.e., the price tendored (minimum of 555.50) for every £100 normal of Stock tendered for Acceptance and the payable in, the United Kingdom, the Channel Islanda at the late of Men. Tandors must be in seeled envelopes marked. Treasury Tendor.

Tanders must be for a minimum of £100 Stock and for multiples of Stock as follows:



Her Mejesty's Tressury reserve the right to reject the tender or to allot a less amount than that tandared for. If undersubscribed, the Stock will be elletted at the minimum price, the belence of about and Campeny of the being allotted at the minimum price to the Governor and Campeny of the Bank of England, lessue Oppartment. If oversubscribed, all allotments will be made at the lawest price at which any londer is eccapsed (the ellotment price), and tenders at prices above the allotment price, will be allotted in full.

Bank of England, Issue Oopermant. If overaubscriped, ell stockmans with be made at the lawest price at which any londer is eccapsed (the ellotment price), and tenders at prices above the allotment price will be allotted in full.

Letters of alletmant in respect of Stock allotted will be despetched by post at the risk of the renders. No allotment will be made far a less amagint then £100 Stock. In the event of partial ellotment, or of tenders at prices above the ellotment price, the excess amount paid will be refunded by cheque despetched by post of the risk of the tender; il no ellotment is made the amagint paid with tender will be returned tikewise.

Letters of allotment may be apit into denominations of multiples of £100 on written request received by the Bank of England. New Jesuas, Warting Street, Londen, EC4M SAA, or by any of the Branches of the Bank of England on any date not letter than 21st June; 1979. Such requests mest be signed and must be eccompanied by the letters of ellotment. Letters of allotment, eccompanied by a completed registralian form, may be lodged for registration forthwith and in any case they must be ladged for registration forthwith and in any case they must be ladged for registration forthwith end in any case they must be ladged for registration of tour then £5th June, 1879.

A commission at the rate of 12-to per £100 of the Stock will be paid to benkers or stockbrokers on allotments made in respect; at fundors bearing thair stamp. However, no payment will be made where the banker or stockbroker would receive by way of commission o total al less than £100 to the finder forments and copies of this prospector may be obtained at the Bank of England. New lesues, Watting Street, London, EC4M SAA, ar et ony of the Bank of England; at the Bank of England; at the Bank of England, ar at the Glasgow Agency of the Bank of England. Pol. Box 15, Oanegal Pace, Balk May, 1879.

THIS FORM MAY BE USED .

For use by Benker or Stoc	kbroker claiming commission:-
	100 100 100 100 100 100 100 100 100 100
	VAT Regn. No.

(If not registered put " NONE ") This form must be lodged not later than 10,00 a.m. on Wednesday. 23rd May, 1979, at the Bank of England, New Issues, Waiting Street, London, EC4M 3AA, or not later than 3.3 p.m. on Tuesday, 22nd May, 1979, at any of the Branche of the Bank of England or the Glasgow Agency of the Bank of England. Tenders must be in scaled envelopes marked "Treasury Tender."

ISSUE BY TENDER OF #800,000,000 11½ per cent Treasury Stock, 2001-2004

TIL THE GOVERNOR AND COMPANY OF THE BANK OF ENGLANO 1/Wa tender in accordance with the same of the prospectus dated 18th May, 1979, as follows:

Amount of above mentioned Stock tendered for, being a minimum of £100 and in a multiple as follows: Amount of Stock tendered for Multipla £2,000-£5,000

E5,000-E20,000 E20,000-E100,000 £100,000 or great

I/We request that any letter of ellotment in respect of Stock elletted to me/us be cent to me/us by post at my/our risk. (c) I/Wo declers that the tenderer is not resident outside the Scheduled Territorica (d) and that the security to not being acquired by the tenderer as the nomines of any person(s) resident autside those Territories. ...May. 1979. SIGNATURE

PLEASE USE BLOCK LETTERS	_	aī, a	r an bah	alf al, ta	ndarer	
SURNAME OF TENGERER						
FIRST NAME(S) IN FULL	. :		************			
ADORESS IN FULL					*******	
	. · '				• .	

The "Shell" Transport and Trading Company, Limited **Annual General Meeting**

Resolution Concerning the Supply of Oil to Rhodesia

At the Annual General Meeting held in London. on 17th May, voting on a poll taken on Resolution No. 4 on the agenda, which the Board of Directors had previously advised shareholders to vote against, was as follows:

Number of votes cast

For the Resolution 865,525

Against the Resolution 44,644,388 Accordingly the Resolution was not carried

Shell Centre, London SEI 7NA G. J. Okell 17th May, 1979

Appendix of the second
for Green Shield. shoppers strongly prefer clear sale of the Argos chain hy Mr. marking of prices and freshness Tompkins has severed the basis dates—as well as low prices—to of Green Shield's past profit-trading stamps. In fact, trading shillty.

of 22 factors influencing choice These results clearly show that there is little prospect for a return to the beyday of the late 1960s and early 1970s when half the population regu-

Mr Richard Tompkins' Green Shield Trading Stamp emplre. And Mr. Tompkins' decision last Friday to sell his 88-strong Argos discount stores chain to BAT Industries in a deal which could value Argos at £35m sug-

Position

costs and benefits of the plan show a discounted rate of design includes a secondary ser-vice tunnel, and gauge able to between 13.5 and 15 per cent. dimensions req accommodate heavier continen. It is assumed that charges fore the cost. tal trains.

In a booklet summarising the to be competitive with sea case presented before the electroutes and the paper has tion to the Government, British assumed that revenue from the Rail says it envisages completion tunnel would be on this basis.

fechnical Page

METALWORKING

ER CENT DER TO MARCH IN

Keeps bars quiet on turning unit

level of noise generated by the har rattling inside the feed

These problems bave been overcome by the LNS bar feeder can be controlled by a pressure with oil-filled guide tube introduced by NC Engineering.

It can be used on all CNC approaches. turning machines and automatic When the lathes for the machining of round, square, bexagonal and consists of a seamless outer cliple allows bar of different tube housing a movable guide cross sections to be market. is fitted. The gap between the bar and the tube is filled with oil to reduce vibrations. oil to reduce vibrations and noise caused by intermittent contact between the bar and the inner wall of the tube. As the har rotates, it produces an oil ship and which can be accomplished without loss of oil.

NC Engineering, 26 Benskin Road, Watford, Herts, WDI 8NW. Watford 24398.

PRODUCTION SPEED of turn- cushion along which it slides ing machines and automatic without contacting the inner lathes is often limited by the surface of the guide tube. speed at which the bar stock oil is supplied to the guide can safely be rotated in the bar tube at a controlled pressure feeder and by the acceptable by means of a pump and valve Oil is supplied to the guide system. This even pressure of oil olso provides the necessary thrust to move the bar forward. The speed of forward movement ing as the end of the bar

> When the bar end is reached, the feed piston is automatically retracted to its original position

Seventh laser order

LASER CUTTING has ordered shops, that laser machine tools its seventh MF400 carbon now have a viable place on the dioxide laser from Ferranti, shop floor. Dundee, making it the largest commercial customer in the UK Industrial Estate. Crumlin Newfor this award-winning Ferrantidesigned unit.

five systems, in operation at its South Wales job shop. The seventh, also destined for the joh shop, will be employed on a new general purpose profiling system being huilt by LCL's Sheffield-based associate, Plascut Advanced Systems: At the latter's plant three of the Ferranti units are in process BENCH AND floor scales, sald to of being fitted to the same number of computer numerically controlled die forme cutting that of mechanical equipment, machines which have been sold are offered by Toledo Scale, Fir by LCL to major UK packaging Tree Lane. Groby, Leicester by LCL to major UK packaging

The new general purpose laser machine will take over some of the routine work load in clear characters. Baseworks at LCL's job shop, including are connected to Toledo high simple geometric profiles for accuracy load cells, says the the sign industry. The system company, and microprocessor will also be used by LCL to based electronics maximum demonstrate to the larger sign accuracy. The scales are offered

61 174 E. C

ora C. II Talenta I La Large Var Tale I Va Large States Total Caracter States

:ock, 2014

5 50 PER CENT

00 MC14

Laser Cutting, Croespenmaen

At present LCL has three MF400 lasers, ont of a total of less cost

offer the versatility of electronic weighing at little more cost than

(Leicester 59842).
Each is fitted with the company's £135 digital indicator, providing an immediate read out

• COMMUNICATION • QUALITY CONTROL

radio

COMPACT UHF two-way mobile radio of high sensitivity and with reliable performance is offered by Molorola as its MC80.
"Everyman's mobile" is for any type of business, industry

or local authority under all environmental conditions. The unit now offered is the first of a new family of mobiles from Moinrola to be manufactured in Europe.

It measures less than 9 inches by 7 inches and can be installed in any passenger or commercia vehicle with the external speaker placed in any convenient position. MC80 offers 3 W audio output through the 10W external speaker to pro-vide clear audio reception, even in the noisiest conditions. High selectivity and intermodulation, coupled with image rejection, protects against Interference from other radio users.

MC80 can also serve as a local control base station and as a base atation for direct contact with personnel equipped with tone-only nr tone and voice pagers. It is available with up to 10 channels and thus suitable for large or small systems. It can be equipped with the Motorola private line tone signalling or any of the five tone signalling systems as options. Automatic acknowledgement, secondary call and multiple call

TRANSPORT **Deliveries** in congested areas

DESIGNED PRIMARILY to cope with the delivery of goods in congested areas is a 6 ft 9 in wide, 111 tonne truck, called the City Truck, introduced by Shelvoke and Drewry of Letchworth in Hertfordshire.

Access to any part of the load is affected by making a Taut-liner curtain-sided body part of the truck's specification-this is made by Boalloy, Radnor Park Trading Estate, West Heath. Congleton, Cheshire (026-02

Overall length of the complete vehicle is 23 ft 1 in and store mounted on a plug-in card the Tautliner curtains can with display control circuitry. It withstand a load pushing allows any standard TV monitor sgainst them during cornering. to display dot-matrix graphles and are also flexible enough to manufacturers and companies with capacities ranging from permit pallets to project over vectors, rectangles, etc—under with general engineering work. 15kg to 150kg and 60kg to 800kg the sides of the anti-skid floor. computer control. Versions are

Easy-to-use Automatic testing of engines mobile AN AUTOMATIC engine test engines are suitomatically un-necting and distributions.

Gregory's Bank, Worcester .-

from production lines and to rectification area.

back-end of shell boilers and in

the flue ducting.
The isolators were designed

some years ago by the Metro-Flex Group and now that the call for fuel-saving is more

encourage greater use of them. again.
One result already has been Beca

HEATING

roude Engineering of test rig before being routed engines and linking water and regory's Bank. Worcester either to vehicle assembly lines, lubricating oil lines. Only The equipment has been dedespatch department or, in the actuators for the engine algued to accept engines direct case of faulty engines, to the throttie control require manual

couple them automatically to a dynamometer. The required cogine are offered: by a trolley made automs sequence of tests are then docking system by an overhead says Fraude. corried out under computer conveyor or by means of a roller conveyor,

down beat loss due to intermit-

the flow of cold air through a

boiler during a standstill period

(le overnight or during week-ends) and reduces the need for

AN AUTOMATIC engine test engines are automatically unnecting and disconnecting plant has been devised by coupled and removed from the devices for coupling up the disconnecting ectification area. connection via plug-in type
Three ways of handling the connectors, but these could be eogine are offered: by a trolley made automatic if required,

Each test bed has an integral

During the tests any faults
discovered are automatically rigged on trolleys or cradles, logged and on completion the latter having automatic control if deemed necessary.

entirely new application of bybrid thick film circuits for the electronic telex market. The company bas invested Getting the best out of the boiler £im in capital equipment, RETENTION OF heat, and thus Westgarth Group company. Burditions favourable to smut forsaving of fuel, prevention of gess and Co. (Engineers) to mation are eliminated and corrosmut emission and inhibition of manufacture the isolator under sion inhibited, it is claimed. including a computer-controlled laser system for trimming resistors, microprocessor con-trolled time measurement Safety has also been con-sidered and should there be an

ELECTRONICS

Hybrid

Lucas

its products.

move by

company

STABILITY Electronic Com-

ponents, an Antrim-based

ompany producing components for the radio, television and

telecommunications industries,

has been looking for other out-

lets because of declining markets in UK television manu-

facture, a principal outlet for

apparatus, as well as assembly

It started manufacture of an

use of Metro-Flex isolstors. The device, which operates (dampers for draught control) automatically and is powered by which can be installed at the a very small electric motor, cuts latter to open to full bore and equipment.
Stability is now one of the important hybrid thick film thus allow the gases to escape circuit manufacturers tent boiler operation. It prevents up the stack. Europe, providing a service Burgess, which specialises in from basic design to full prothe manufacture of shell boilers, duction of small or large quanti-ties, and export content of its horticultural heating installations and light steel fabrication. turnover has risen to 72 per

has its headquarters at Eastencourage greater use of them. again.

One result already has been Because heat is retained in agreement for a Richardsons the boiler and flue system, con
21341). It is a Lucas company and bas its sales and administration centre located at Basildon.

• DATA PROCESSING

corrosion are the main advan-tages said to accrue from the the name Burgess Metro-Flex.

urgent efforts are being made to extra fuel when starting up

are available. Motorola Electronics, Armstrong Road, Daneshill East, Basingstoke, Hants, Basingstoke (0256) 58211. Fight for business in America BUILDING on its UK sales snc- similar to British procedure and. Gan

Nottingham (which claims to be vast potential market open to one of Europe's leading mini- UK high-grade experience, computer systems groupings) has formed the Gamma Computer Corporation, based in marketing development special-Manchester, New Hampshire, ist from DEC, (U.S.), Patricia

Despite fiercer competition in company's systems will be the U.S., as compared with the aimed specifically at the four European market, the company major market segments: manusays that barriers and resistance facture, distribution, retail, and to doing business in America financial. are lower than anywhere else As an

language problem, laws are hank loans and deposits.

their own computer graphics.

The equipment, which the company is calling "Univisor,"

consists of a graphic refresh store mounted on a plug-in card

-meluding alpha numerics,

As an example of each, she in the world. Further advant- highlights production control, ages are that there is no wholesale, inventory control and

currently under development.

Univisor will allow colleges.

research establishments, OEM's

and in general users of small

compoter systems to develop monochrome and colour graphics

display. facilities : at low cost,

easily expandable to create

exactly the degree of sophistica-

tion required. A single card may 01-894 5511.

Graphics made much easier to add

Vice-president of the new

Gamma in the U.S. has now Cess, Gamma Computer Groop of over and above this, there is a started a recruitment cam-Nottingham (which claims to be vast potential market open to paign of sales and software one of Europe's leading mini- UK high-grade experience, staff. Its new 6,500 square feet facility is at 3 Perimeter Road, company is a former principal. Manchester, New Hampshire.

It will he looking to market its packaged systems locally as A. Colbert, who says that the well as through a network of regional agenls currently heing recruited. These agents will be able to huy packaged systems at attractive prices, promises the company, due to volume pur-chase of bardware.

More from Gamma Associates, Compass House, The Ropewalk, Nottingham (0602 49555).

levels of image intensity.

pictures.

More

imaging devices

camera and Instrument (U.K.), no problem 230 High Street, Potters Bar, Herts EN6 5BU (Potters Bar SILVER tarnish

Sensitive

times in the blue portion of the spectrum. They are well suited for use in facsimile and other line scan systems.

One of them, the CCD 112. has 1728 elements in a 24 pin package; the other bas 2048 elements and 28 pins and is

CARD - MOUNTED graphles at present available for plugging be used to generate simple monogeneration system introduced by into the DEC PDP-11 range, and chrome pictures, while three Gresham Lion, will provide small further versions for other mini cards operating synchronously may be used to develop colour sophisticated menochrome systems may be built needed with earlier devices. using up to eight cards. Such There is also an integrated sample and hold charge sensing systems could produce up to 256 circuit which provides a con-Gresham Lion, Gresham tinnous analogue video wave-House, Twickenham Road, Feltham, Middx. TW13 6HA. form at the chip output of more than one volt peak to peak at

saturation.

thurley & DIRECT GAS-FIRED SPACE HEATING AND PROCESS HEATING

ipon Road, Harrogate, N.Yo Tel:61511 Telex 57859

PROCESSES

Will wind complex

DESIGNED to wind transformers and coils that have a number of separate windings or tappings, the Aumann model PW is now being marketed in the UK hy Cole Equipment, Church Road, Croydon, CRO ISG (01-636

The machine can be supplied with up to six programming units on each of which the required number of turns can be pre-set nn thumb-wheel counters, the number actually wound building up nn a second thumb-wheel counter. Three speed steps can be pre-selected and there is continuous speed variation within each step. In addition the direc-Stability is at 63 Greystone Road, Antrim, N. Ireland, BT41 starting position (top or bottom) 2QN. 023841 \$035. can be pre-set for each pro-

> Winding formers up to 300 mm can be accommodated; other machines can be supplied to cope with 500 to 700 mm centre distances. Speed ranges are from 300 to 3,000 rpm or 600 to 6,000 rpm.

IMPROVED image sensing devices based on charge coupling

which does not involve a These devices have twice the lacquer or a deposit, will with-overall sensitivity of the com-stand the staining from a bolled pany's previous devices—four egg—usually the ruination of

cutlery. The treatment is applied by a plating machine and to treat 10 kilos of silverware about 1 kilo of solution is required, the treatment being adjustable to provide protection from two years upwards.

out nave on-chip driver circuits which allow operation to
be controlled by only three external clocks instead of the five
needed with earlier and trade, is not prepared. way in which its treatment works, other than to say that the surface is "stabilised or nentralised.

Nusonics, Commerce House, 6, London Street, Paddington, London W2 1HL (01-723 3985).

Senator. The small circle of exclusive cars EXCLUSIVE CCIS ful car manufacturers—Opel. That the Senator can only add to the marque's success is confirmed by 'Car' magazine; Too the much respected Mercedes-Benz 280SE and BMW 730 have anything to fear from the svelte new Opel Senator able) you'll be cosseted by its property of the support of the system.

Once, not so long ago, you could count the number of true prestige cars on the fingers of one hand.

Now there's a genuinely new

The car that won Germany's coveted Golden Steering Wheel' award before a panel of automotive experts from all. over the world, for safety, comfort and

performance. The Senator.

From one of Europe's most success-

3.0E? You bet they do?

nsers with the ability to generate and micro-computer systems are

The Senator offers you a three litre. six-cylinder, fuel-injected engine capable of 0-60 in under 10 secs

without a murmur ('Car' figures.)
That's something you, or your

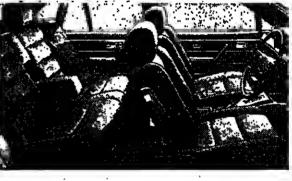
chauffeur, will appreciate. So is the mood of sheer opulence that surrounds you. From the deep velour seats, the rich pile carpets, to the tinted, electrically operated

windows. Suffice to say, the Senator is equip-ped with everything you've every right

When you get behind the wheel (power assisted, of course, and adjustable) you'll be cosseted by front-seat

heating and height adjustment, full transform modern motoring from an

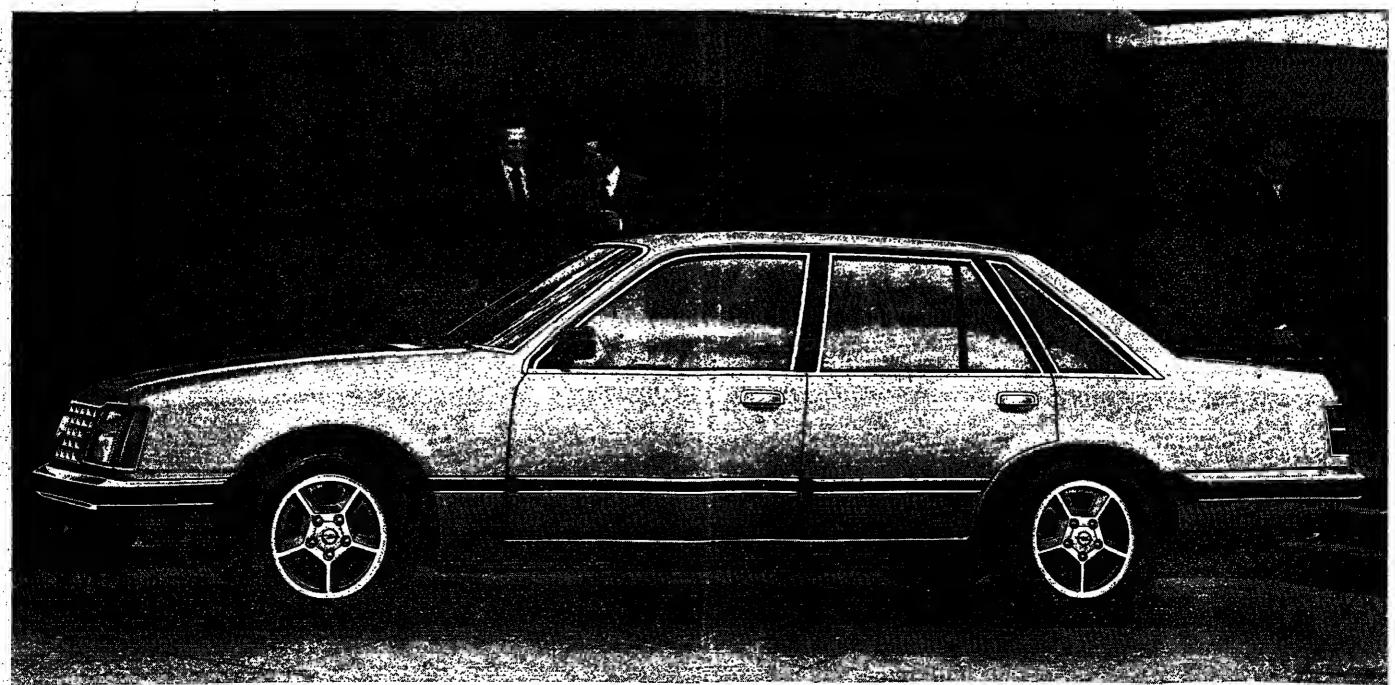
In purely practical terms, the Senator. instrumentation and driver information at around £10,000, with its automatic systems, a cassette radio, centralised transmission, can do a great deal to locking, plus everything else that can make the business of getting from A to B more comfortable, more efficient, less



And do it in style.

We suggest you write to the Opel Information Service, PO Box 2, Central Way, Feltham, Middlesex TW14 OTG, for a comprehensive information package on the Senator.

After that, we'll let a test drive do the talking.



SENATOR by Opel O

Building and Givil Engineering

Natural gas terminal for Zeebrugge

KEY TO the vast project to Zeebouw-Zeezand consortium is heing 500 metres long, 57 wide present beach by three metres, extend the installations for the responsible for the harbour and baving a sill depth of 15 involving the transfer of 10m harbour of Zeebrugge in Belgium—to meet the rapid growth in traffic-is a move hy both wings-Zeehouw for civil the Belgian Ministry of Public Works to begio the £50m task nf huilding a harbour dam for the future outer harbour, first pbase in the construction of the liquid natural gas (LNG) ter-

been awarded a £27m contract

to build the 500-bedroom

Holiday Inn Hotel in Jeddah,

Saudi Arabia, by Arabian Hotels and Catering Co. The

hotel, due for completion by

mid-1981, will he managed and operated by Holiday Inns

contracts is over £1.7m.

The largest job is at Ruocorn

New Town where a £832,992 district library is to be built

for Chesbire County Council.

The library will be linked to

the nearby hus station by a

At Spaldington in East Yorkshire, land at a former air-

ship station is to be reclaimed

for Boothferry Borough Council. This job calls for the

disposal of various foundations,

GUILLOTINE 8ft Xin capacity Pearson.

5in x 12in x 10in wide variable speed

3.5in x 8in x 9ln wide variable speed

hydraulics operation, powered back stop spare shear blades

10in x 16in wide fixed speed Two High Mill 6in x 16in x 20in wide Four High Mill

10in x 12in wide fixed speed Two High Mill 16in x 16in wide fixed speed Two High Mill

1,000 mm 2 mm × 7 tonnes coil fully

overhauled and in excellent condition

COMPLETE SLITTING LINE, capacity 920 mm

wide x 10 ton coil
FARMER NORTON 18in wide CUT-TOLENGTH LINE Max, capacity 15in x 10 s.w.g.

RWF TW STAND WIRE FLATTENING AND STRIP ROLLING LINE, 10in x Bin rolls x 75 hp por roll stand. Complete with edging rolls, turkn' head, flaking and fixed recoilor, air gauging, etc. Variable line speed 0/75 ft/min and 0/1,500 ft/min

SLITTING LINES (2) 300 mm and 920 mm BAR AND UBE REELING & STRAIGHTENING

MACHINE by Plate, Max. capacity Zin Bar

capacity 8 BLOCK (400 mm) IN LINE, NON-SLIP WIRE

DRAWING machino in excellent condition, 0/2,000 ft/in variable speed, 10 h.p. por

block (1968)
SIX BLOCK (22in x 25 h.p.) IN LINE
NON-SLIP VARIABLE SPEED WIRE
DRAWING MACHINE by Marshall Richard
9 DIE 1,750 ft/min SLIP TYPE ROD DRAWING
MACHINE equipped with 3 speed 200 h.p.
drive 20in. Horizontal Draw Blocks 22in

Vortical Collecting Block and 1,000 lb Spooler, (Max. inlet 9 mm finishing down

LEVELLING MACHINES, 20in, 36in, 59in

by Fielding and Platt, 85 ton main ram Pressure
TYPE 1000F CINCINNATI PLATE SHEAR

TYPE 1900F CINCINNATI PLATE SHEAR

max. capacity 1,250 mm x 25 mm M.S. Plate,
complete with full rango of spares
No. 1 FICEYP SHEAR, max. capacity 50 mm
rounds 75 mm x 35 mm bar 400 mm x 10 mm
flats (spare shear blado)
1974 FULLY AUTOMATED COLD SAW
by Noble 2 1 and with baract spaces

by Nnble & Lund with batch control
3 CWT MASSEY FORGING HAMMER—
pneumatic single blow
36 Dia, HORIZONTAL BULL BLOCK
by Farmer Norton 75 H/P variable

epeed drive
TWO SPEED REVERSING ROLLING MILL

equipped with 20in dia x 30in wide rolls.
Twin recoilers and 350 h.p. drive
HERDIECKERHOFF 100 WK VACUUM
HEAT TREATMENT FURNACE complete

with 40 cooling station, vacuum pump and tempereture control cabinet DRAWBENCH by Platt, max. capacity 15 ton

Marshall Richards, available with 30 die sets, max. capacity 24 mm bar. 57 mm tube 9 DIE WIRE DRAWING MACHINE, cone type 40 hp x 250 ft/min 14in diameter finishing

UPSET FORGING MACHINE 4in dia 750 ton WICKMAN 11 6SP AUTOMATIC. Reconditioned

WICKMAN 2 In 6SP AUTOMATIC. Reconditioned WICKMAN 2 In 6SP AUTOMATIC. Reconditioned CINCINNATI CENTRELESS GRINDER. Excellent

pull x 40ft draw 1972 ROTARY SWAGING MACHINE by

block, 18% area reduction per die

4.000 TON HYDRAULIC PRESS. Upstroke

to 1.6 mm copper and aluminium)
9 and 17 ROLL FLATTENING AND

and 72in wide HYDRAULIC SCRAP BALING PRESS

20in x 30in x 350 H/P Two High Reversing Mill

Description

ROLLING MILLS

Four High Mill

2.50In tube

development and Royal Bos Kalis Westminster Group of the Netherlands is a member of engineering and Zeezand for the massive dredging and analogous operations involved.

Key feature is the new sea lock which is to he completed by 1982 when It will he able to Tijdelijke Vereniging take ships up to 125,000 tonnes, the level of a large area of the near Alton in Hampshire.

Jeddah's new Holiday Inn

concrete construction on piles,

placed under an earlier

cootract, will be clad externally

with Mineralite and Tyrolean-finished rendering on block-

Hotel facilities will include

restaurants. coffee shop, banquet and confarence rooms

for 1,000 and a swimming pool

At Bardney, Lines, Monk is

to carry out civil and structural

mouth the company is to under-

take civil engineering work in

connection with a copper dross

plant for Davy . International

Telephone

0902 4254/1/2/3

0902 42541/2/3

Telex 336414 0902 42541/2/3

Telex 336414 0902 42541/2/3

0902 42541/2/3

Telex 336414 0902 42541/2/3

0902 42541/2/3

0902 42541/2/3

0902 42541/2/3 Tolex 336414

0902 42541/2/3

0902 42541/2/3

0902 42541/2/3

0902 42541/2/3

Telex 336414 0902 42541/2/3

0902 42541/2/3

0902 42541/2/3

0902 42541/2/3 Tolex 336414

0902 42541/2/3

Telex 336414 0902 42541/2/3

0902 42541/2/3

0902 42541/2/3

Telex 336414

Telex 336414

Telex 336414

01-938 3131

01-928 3131 01-928 3131

01-928 3131 01-928 3131

01-928 3131

01-928 3131

Telex 336414

Telex 336414 0902 42541/2/3

Telox 336414

Telex 336414

Telex 336414

Telex 336414

Telex 336414

Nine storeys in beight, it will complex. The hotel's 300 staff be located on the corniche over- will be accommodated in four

land drainage and importation Process Engineering Division.

PLANT & MACHINERY

SALES

Several jobs by Monk

metres below low water.

Other essantial operations are the construction of the east and west harbour moles, the inter-mediate LNG dam, the working harbour plus five or six other barbours, a yachting marina, a railway yard, quays, docks and roadworks.

project are Maurice Baguley

and Partners International; the

architects are Morrison Design

Partnership and quantity surveyora are Murdock Green

Partnership, all of London. Interior design of the hotel is

being carried out by Innkeepers Supply Company of Memphis, U.S., a member of the Holiday

cubic metres of sand from sea dredging operations, over 8 km of the foreshore.

Some idea of the extent of the operations can he gained from the fact that sand and gravel for them are heing dredged from the Themes estuary.

The UK holding company of One gigantic task is to raise Bos Kalis is based at Blacknest.

£5m won by Rush and Tompkins

THE LARGEST of about £5m taking a £123,000 contract for worth of new contracts awarded to the Rush and Tompkins Group is for a three-storey building with a supermarket on the ground account of the Rush and Tompkins old building known as The at Croeapenmaen, a £161,000 to the Rush and Tompkins old building known as The at Croeapenmaen, a £161,000 to the Rush and Tompkins old building known as The at Croeapenmaen, a £161,000 to the Rush and Tompkins old building known as The at Croeapenmaen, a £161,000 to the Rush and Tompkins old building known as The at Croeapenmaen, a £161,000 to the Rush and Tompkins old building known as The at Croeapenmaen, a £161,000 to the Rush and Tompkins old building known as The at Croeapenmaen, a £161,000 to the Rush and Tompkins old building known as The at Croeapenmaen, a £161,000 to the Rush and Tompkins old building known as The at Croeapenmaen, a £161,000 to the Rush and Tompkins old building known as The at Croeapenmaen, a £161,000 to the Rush and Tompkins old building known as The at Croeapenmaen, a £161,000 to the Rush and Tompkins old building known as The at Croeapenmaen, a £161,000 to the Rush and Tompkins old building known as The at Croeapenmaen, a £161,000 to the Rush and Tompkins old building known as The at Croeapenmaen, a £161,000 to the Rush and Tompkins old building known as The at Croeapenmaen, a £161,000 to the Rush and Tompkins old building known as The at Croeapenmaen, a £161,000 to the Rush and Tompkins old building known as The at Croeapenmaen, a £161,000 to the Rush and Tompkins old building known as The at Croeapenmaen, a £161,000 to the Rush and Tompkins old building known as The at Croeapenmaen, a £161,000 to the Rush and Tompkins old building known as The at Croeapenmaen, a £161,000 to the Rush and Tompkins old building known as The At Croeapenmaen, a £161,000 to the Rush and Tompkins old building known as The At Croeapenmaen, a £161,000 to the Rush and Tompkins old building known as The At Croeapenmaen, a £161,000 to the Rush and Tompkins old building k the ground floor and offices above at Chislehurst, Keot for Black Cap Investments.

For the Borough of Kingston upon Thames the company is to huild a two-storey library at a cost of £675,000, while at Wood Green in north London It has negotiated a contract for fitting out a Caters supermarket at a cost of £653,000. At Marlow, Bucks, a Waitrose store is to be extended under a £423,000

A £153,000 contract from British Tranport Hotels calls for alterations to the Brunel restaurant and bar at the Great Western Hotel, Paddington,

In the south-west of England Rush and Tompkins is under-

Salisbury for the Duke of Edinburgh's Royal Regiment.

Other work includes a

Housing Association at Pittville Circus, Cheltenham, and several £152,000 contract for a primary factories in Devonshire under school at Great Cheverall, contracts totalling £740,000.

Renovations by Wates

BRINGING its total May order book up to £5m, Wates Special Works has secured a furthar

In one contract, 110 flats at Lissenden Gardens. NW5, are to be modernised for the London Borough of Camden. The 18-month contract, valued at £2m, starts in June.

Work includes new electrics, iostallation of gas central heat-

ing replacement or overhaul of all joinery together with up-grading of kitchens, bathrooms and complete redecoration.

Two jobs in the City start this month. At Cannon Street the refurbishment of Spillers offices: to he completed in September, includes renovation of the facade, while refurbish-ment of 107 Cheapside for Artagen Properties is being undertaken in 12 weeks.

Caring for bananas in Herts

A NEW industrial project is to be dasigned and built for the to be dasigned and built for the Fyffes Group by Hunting Gate. The high specification warehouse and office development, valued at close to £1m will total nearly 27,000 sq. ft and be located off Elstree Way, Borehamwood, Hertfordshire.

Fyffes will be using the new depot for hands and fruit depot for banana and fruit heat loss

ripening and distribution for Hertfordsbire and the surround-ing regions. Completion is scheduled for December 1979.

Foundation

TOTALLING CONTRACTS · more than flm have been awarded to West's Piling and Construction Company. Work tocludes piling for bousing, various industrial buildings, and electricity pylon towers.

Larger projects involved are Leicestershire, Tilbury, Essex and Lyndhurst, Hants.

Little hut refuge

A QUIET area in which to work, rest or carry out a telephone conversation on a noisy shop-floor, is provided by a portable booth, which has all-round visibility, from Pollards SRL

Tower Lane, Warmley, Bristol (0272 614141). Comprising a rigid metal frame panelled in overlapping strips of heavy gauge clear pyc, and roofed with a solid sound absorbing panel, it is called a.

The right way tobuild

FACTORIES OFFICES

& WAREHOUSES

CRENDON CONCRETE CO. LTD

Long Crandon Bucks.

Tel: 208481

Hush Hut. Grystal-grade pvc strip admits light, and gives a clear, uninterrupted view into and out of the hut, and its use in a noisy engineering shop, etc., can show noise reductions, says the com-pany, of 15dBA or more half the perceived noise level out-

The huts can be built to any size and offer a number of appli-cations, such as staff rest areas.

Window

PROMISING a number of advantages over conventional thermal hreak windows is a new design announced by Firth Cleveland, GKN House, Kingsway, London, WC2 (01-404 5861).

This has been developed by BKL Extrusions of which Scopa

Aluminium Products is a division, in conjunction with the GKN Technological Centre.

Incorporated as a cladding on the inside of the window frame. (in replace the more usual internal aluminium face) is Celuka R, a thermoplastic celiular material which is said to have ontstanding insulation performance and similar machin-

ing properties to timber.
Used in the Scope range, it is a high-impact, exterior-grade, light-fast material with a hard-skinned, white gloss finish, which can be left in either its natural state or painted to suit a room's

Features include double-glazed sealed units with a 12 mm air gap for optimum beat insulation over the glass area, a new design of executive style bevelled outer faces for opening vents made from high-gloss aluminium with an etched and anodized AA25 finish, and a range of accassories designed to complement the new windows.

Tarmac has installed data processing equipment in this site cabin at Drax power station in Yorkshire to aid engineers working

on an £18m foundations contract. The

equipment, which is linked to Tarmac's central computer complex in Wolverhampton was supplied by Mohawk Data Sciences and will be used to speed up site calculations.

£4m work for Tarmac

The air station contract. awarded by the Property Services Agency, will mean work for three years on modernising nearly 200 holldlings at the Lee-on-Solant air-field.

newing bangar cladding, and laying of some 4,000 cubic carrying out other internal metres of concrete modernisation.

THREE CONTRACTS, one of concrete or tarmac surfaces is which includes work at the also included, along with a large naval air station HMS Daedalus, amount of general mechaolcal bave been awarded to Tarmac and electrical work. At Wiodsor, Berks., work has

started on two office blocks at the bead office of UK Cater-pillar dealer H. Lavertoo and Company. The job will take 14 months to complete.

At Nursling near Southamp-ton, work is under way oo a 27,000 square metre trailer park for Overseas Cootainers. The

Atom fuel

TWO CONTRACTS; together

two years.
For British Rail Engineering, McAlpine is undertaking a contract worth approximately £730,000, due to be Snished in 40 weeks. This involves con-struction of a workshop, at the company's Ynrk works, which will principally be used for the application of noise insulation material to railway coaches.

Sunley £1m

pleted in August, 1980.

SHELL RESEARCH film to Sir Alfred McAlpine and plus two wardens' houses. A Son for work comprising completion of the construction, and built fitting out to provide office, laboratory and rig accommodation for the new multi-functional is also about to Start on a laboratory for Shell at Thornton £670,000 contract for flats and Research Centre, Cheshire.

IN BRIEF

A supermarket at Cheetham accommodation will he con-

AT THE Northampton complex of the Robert Horne Group, IDC will design and build a new

Warehouse

extension

warehouse extension under a cootract worth over film.
Site management of the racking installation, a battery charging installation, a battery charging ing facility with fume extrac-tion, and extra car parking, are all included in the job.

Naval base

MOTHERCAT . has awarded a £3m contract by the Government of Oman for work in connection with the Musan-dam naval hase, Oman. A jetty and a number of buildings are

on an island site and is due for completion in 14 months.

Will make

DUCTING for air-conditioning systems can be made on site with the aid of transportable equipment developed hy Rega Metal Products in association with a West German manufacturer, Aerotechnik E. Siegwart. The machine is capable of producing flexible aluminium ducting to any length and in increments from 50 mm to 500 mm io increments of 1 mm. Material used is corrugated aluminium strip produced at Rega's Biggleswade, Bedfordshire fac-

tory.
It is stated that the equipment and sufficient material to produce at least a mile of ducting could be transported in a 35 cwt van. Rega (Biggleswade 312996), says it holds sole UK patents and rights to operate the equipment

NEW HOUSING contracts worth over film have been awarded to John Laing Con-

work on the largest, worth over film, for the London Borough of Hillingdon starts soon. The site is at Yeading Lanc, Hayes, Middx, and will has accommodate 76 two-storey flats awarded a contract worth over and two bouses for the ciderly community centre will also he In East Cleveland, for Lang-

baurgh Borough Council, Laing hnuses.

Eirtle, Bury, for Wills Fabrics Terminal under a 201,000 (265,431) are among the latest tract from BP Oil.

Contracts awarded to William A chipboard product called Townson and Sons.

Scotform is being used for Scotform to being used for Scotform and Construction has won concrete shuttering on the Royal Alexandra

CONTRACTS AND TENDERS

SUDAN RAILWAYS STORES DEPARTMENT CONTRĂCT NO. 5137

SUPPLY OF MECHANICAL SIGNALLING EQUIPMENT CONTRACT NO. 5172 SUPPLY OF ELECTRICAL SIGNALLING EQUIPMENT

CONTRACT'NO. 5076 SUPPLY OF 400,000-500,000 (FOUR HUNDRED THOUSAND TO FIVE HUNDRED THOUSAND) HARDWOOD SLEEPERS

NOTICE:

(1] Controller of Stores, Suden Reliwaye, Atbara, invites tendors for the supply of the above. (2) Tendorers should quote for each tender separately and each tender should be put in a soparate envelope.

should be put in a soparate envelope.

(3) Ostalls, specification and drawings can be obtained from the Office of Controller of Stores, P. II. 80x 65, Atbam, or from the Inffice of Stores Representative, Khertoum, tel: 74793, on submitting a written application bearing 50 m/m stamp duty and payment of Es.15,000 m/ms for one act of details, specification and drawings for Contract No. 5137 and Ls.1,000 m/ms for one set of details, apacification and drawings for Contract No. 5172, and Ls.1,000 m/ms for one copy of details and specification for Contract No. 5078.

(4) The closing dates fixed for acceptence of tenders for Contract No. 5137 and 5172 in this Iffice is Monday, 25th June, 1978, and Contract No. 5076 is Saturday, 15th June, 1979, at 12.00 hours nood, (5) Ostalle, specifications and drawings can also be obtainable from Sudan Government Purchasing Agent, 3-5, Cleveland Row, St. Jasmas's, London, 5WI 110. on payment of £22.50 (etarling) for Contract No. 5137, E6.00 (sterling) for Contract No. 5137, E6.00 (sterling) for Contract No. 5076 by chaque or Postal Order.

Contract No. 5076 by Chaque or Postal Order.

DEFICE OF CONTRDUER OF STORES

COMPANY NOTICE

GRARANTEED CONVERSION
LOAN 1934-59

NITICE TIL HOLDERS OF
Above TEXT LING SONDS
CUrrent Interest on II Non-invalidated "
Bonds drawn 1954-59.
COUPON NO. 89 GUZ 157 JUNZ. 1970
The Tressees have received from the
Austrian Government. In the terms oil its
substructment of 12th May, 1954; the
austrian Government. In the terms oil its
austrian value of the Austrian Value.
Bonds of the British Issues which the
compone due 151 June. 1978 those
invalidated "under the Austrian Value.
Invalidated "under the Austrian Value.
Such coupens may gove be presented
through an Authorised Depositary, to the
Chief Accountact's Office (Bank Boildings).
Bank of England. 2, Bank Boildings).
Bank of England. 2, Bank Boildings,
Bank of England. 2, Bank Boildings,
Bank of England. 1907 The Total
REGEMENTION ON 1 JUNE 1979 OF
RONDS DRAWN PAYABLE ON THAT
DATE 224-36. OUTSTANDING).
Holders are referred to the sunconcement sade by the Sank as England on
Sta April. 1979, reporting gonds drawn
for osyment, on 1st Jane, 1979.

MARINE AND GENERAL MUTUAL LIFE ASSURANCE SOCIETY NOTICE IS HERESY GIVEN that the 17th Annual General Meeting of the Members of the Society will be held at MGM thouse. Neene Road Worthing, West Sussex, on Wednesday, 20th June. 1979 at 12.30 p.m. for the following acrosses:—

1. To receive the Report of the Directors and the Accounts for the year ended 51st December, 1978.

2. To elect Ilractors.

3. To re-appoint the Society's Auditors and the Accounts for the year ended first December, 1978.

4. To transpond the Society's Auditors and the Accounts for the directors to fix their remomeratios.

4. To transpond the Society and the Society Accounts and the Administration of the Member of the Society.

By Order of the Directors.

5. W. FORD, Secretary, MGM House, Heart Road, Warthing, West Sussex, 98:11 20 y. 10th May, 1979. المعال يور

SAVE & PROSPER (JERSEY)
Commodity Fund Limited NOTICE IS HERBBY GIVEN that the third Adnesi General Meeting of the Company will be held at the Chamber of Commerce, 19 Royal Square, St., Helior, Jersey, Channel Islands, on 7th Jone 1979 at 12 noon.

By Order of the Board,
SAVE & PROSPER GERSEY, LIMITED Secretaries. LEGAL NOTICES

No. 001170 of 1975

No. 001170 of 1975

In the HIGH COURT OF JUSTICE Chencery liviation. In the Matter of MoORGATE MERCANTILE HILDINGS LIMITEO and In the Metter of The Companies Act, 1948.

NITICE IS HERERY GIVEN that a Petition was on the 28th April 1979 presented to Her Majesty's High Court of Justics for the confirmation of the reduction of the Shere Premium Account of the above-named Company from £1,358,904,489 to £321,17p.

ANO NOTICE IS FURTHER GIVEN that the sold Petition is directed to be heatd before The Noncurable Mi. Justice Stade at The Royal Courts of Justice. Strand, London WC2A, 21, on Monday the 18th day of June 1979.

ANY Creditor or Shateholder of the said caucition of Share Pramism Account ahould appear at the said raduction of Share Pramism Account ahould appear at the time of heating in person or by Counsel for the some.

A Coby of the said Petition will be lumished to any such person requising the same.

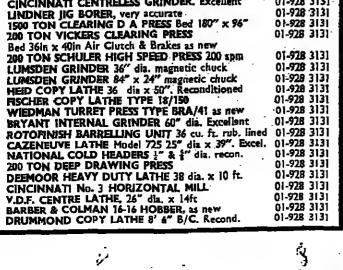
1979.--Dated the NICHOLSON GRAHAM & JONES, 12/21 Modroste, London ECZR GAU, Solicitors for the above-named Company.

TRAVEL

GENEVA, Basie. Zurich & Berne, widest range of cheso eights from 4 UK str-ports. Brochure: CPT LTD., 01-351 2191, Telext 919079, ATOL 3688. VERY DESIRABLE droperties available of Greek Island NOW! Ring Joy of Olymph Holidays; 01-229 2411.

PUBLIC NOTICES

GREATER LONDON BILLS £35m 9lifs issued 17.5.70 magiring 10.8.79 at 11.4560%. Fotal applications £50m. Bills outstanding £50m.



Talk about A LIBRARY, land reclamation, of top soil in readiness for an delays

a viaduct, a syrup plant and a 18-bole golf course, copper dross plant figure among Not far away, at Bawtry, the latest awards to A. Monk South Yorkshire, a railway the latest awards to A. Monk South Yorkshire, a railway and Co. Total valua of the viaduct is to bave parapet and IN JUNE, there is to be a twoday conference on "Managing spandrel strengthening beams and buttresses installed. This Uncertainty in the Design and Construction of Major Engineerwork, for British Rail, will also ing Projects." It will be at the involve diversion of a culvert and provision of inspection Carlton Tower Hotel on June

> Spoosors are the London Court of Arbitration and the engineering work for a syrup plant for the British Sugar Corporation while at Avon-Institute of Arbitrators and tha event is to be organised by Legal Studies and Services.

Subject matter will be germane to many industries from petrochemicals to power stations and cover, in one of the aessions, the effects of changes of government, Acts of God, and "Mega-hazards" in-surable or not. Another session will be devoted to the thorny problem of disputes in the construction industries and consider situations which lead to

disputes. For more details: Legal Studies and Services, Norwich House, 11 Norwich Street, London EC4A 1AB, 01-242 2481.

Construction.

CONTRACTS AND TENDERS

INSTITUTO DE RECURSOS

HIDRAULICOS Y ELECTRIFICACION

ADVANCE NOTICE OF INVITATION TO BID

AUXILIARY ELECTRICAL AND MECHANICAL EQUIPMENT

FORTUNA HYDROELECTRIC PROJECT, REPUBLIC OF PANAMA

The Institute de Recursos Midraulloss y Electrificacion (IRHE) located at Poli Building, Justo Arcsentina Avenue, and 27 East Stract in Panama City. Recublic of Panama, announces its Intention to conduct the tollowing three Olds for the Fortuna Nydroslectric Project:

1. Bid No. 533-79 for Futnishing, Colivering and Installing Auxiliary Electrical and Methenical Equipment.

2. Bid No. 624-79 for Furnishing and Calivering Auxiliary Electrical Equipment.

1. 2id No. 539-79 for Futnishing. Colivering and Installing Auxiliary. Electrical and Methenical Equipment.
2. 3id No. 624-79 for Furnishing and Calivering Auxiliary Electrical Equipment.
2.1 Schedule A.— Furnishing and Delivering Generator Main Leads.
2.2 Schedule B.— Furnishing and Calivering Switchgear, Unit Suburition and Motor Control.
2.3 Schedule C.— Furnishing and Calivering Switchgear, Unit Subaration and Motor Control. Controls.
Interested Confinctors may Old for any or all of the three Old ochedules of Bid No. 524-79.
3. 2 3id No. 625-79 for Furnishing and Delivering Control and Protection System Equipment.

The tentitive detection is evallability of Old documents are by follows:
1. 2id No. 523-79 — May 21, 1979.
2. 2id No. 523-79 — September 28, 1979.
3. 3id No. 625-79 — Paptember 28, 1979.
3. 3id No. 625-79 — September 29, 1979.
3. 3id No. 625-79 — September 29

SUDAN RAILWAYS

STORES DEPARTMENT

Contract No. 5175
SUPPLY OF 69 DOUBLE-DECK SHEEP WAGONS

Contract No. 5176

Supply of: (a) Four 35 feet long underframes for LMMC (h) Five 60 feet long underframes from LMMC

NOTICE

Controller of Stores, Sudan Railways, Athara, invites tenders for the supply of the above.

2. Tenderers should quote for each tander separately and

3. Details, specification and drawings can be obtained from the Office of Controller of Stores, P.O. Box 65, Athara—Sudan or from the Office of Stores representative Khartoum, Tel. 74793, on submitting a written application bearing 50 m/m

stamp duty and payment of Ls. 57 m/m for one set of details, specification and drawings for Contract No. 5175 and Ls. 75 m/m for one set of details, specification and drawings for

4. The closing data fixed for acceptance of taoders in this Office is Tuesday 19th June 1979 at 12.00 hours noon.

5. Details, apecification and drawings can also be obtained from Sudan Government Purchasing Agent, 3-5 Cleveland Row, St. James's, London SWI 1DD, on payment of £105 (sterling) for Contract No. 5175 and £90 (sterling) for Contract No. 5176,

service vehicles

each tender should be put in a separate envelope.

Contract No. 5178.

FOR

FOR

REPUBLIC OF PANAMA

Tarmac will be repairing and

Some drainage and repairs to nearly £4m.

plant by **McAlpine**

worth more than £3.1m, have been won by Sir Alfred McAlpine and Son (Nortbern). The largest, valued at around ducting \$2.4m, is for the building and civil engineering work associated with the E22 enrichment plant for British Nuclear Fuels On Site at Capenburst, Cheshire, which is scheduled for completion in

A FIVE-STOREY office black of reinforced concrete frame con-struction and clad with white glass reinforced concrete panels and stoved acrylic finished curtain walling and windows will be built by Bernard Sunley and Sons under a film contract awarded by Salcombe Investments.

Work has just commenced on the site at Cherry Orchard Road.
Croydon, and should be commenced to the site at Cherry Orchard Road.

We will be the site at Cherry Orchard Road.

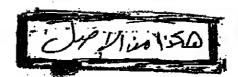
We will be the site at Cherry Orchard Road.

Fitting out a laboratory

Hill. Manchester, for Broseley tained in six blocks which will Estates (£393,316), roads and be of hrick and block con-sewers for Lyn Town at struction on concrete trench Patricroft Industrial Estate, fill foundations with precast Eccles (£128,299) and at concrete suspended floors. Lostock, Bolton (£108,141) and • Meara is to extend the foredemolition and re-roofing at shore wall at the Hamble Birtle, Bury, for Wills Fabrics Terminal under a £67,000 con-

a £300,000 housing contract to Paisley Royal Alexandra build 24 old people's flats Hospital project in Scotland. within a conservation area at The material which has re-West Street, Carshalton for the placed much more expensive London Borough of Sutton. imported plywood is made by Two-storey centrally beated Scotboard of Irvine, Ayrshire.

by cheque.
Cash will not be accepted.
OFFICE OF CONTROLLER OF STORES



It's hardly surprising that Uniroyal – as one of the world's leading manufacturer's of rubber, chemicals and plastics – sells a very wide range of products to industry and agriculture as well as to consumers throughout Europe.

What is more unusual is the growth potential which each of these products has. There is one very simple reason for this: our commitment to technical innovation, in itself a by-product of heavy investment in research and development.

In every market, we have exciting prospects for expansion, which we intend to exploit to the full – by allocating even bigger resources: to our European research, manufacturing and marketing operations. In short, we are not in Europe just to stay; we are here to grow.

Chemicals

Our range is broadly based and constantly growing as we spend millions annually on research. Industrial chemicals include thermoplastic rubbers, Vibrathane, a highly successful liquid urethane prepolymer and antioxidants for the rubber and plastic industries. Additionally, we are leaders in the rubber reclaim and rubber label businesses.

Agricultural chemicals include, herbicides, pesticides, growth regulants and fungicides.

Footwear

Demand for our protective and safety footwear continues to increase. And waterproof rubber footwear for hunting and fishing, together with our unique range of specialised athletic footwear are enjoying the non-stop growth of the leisure market.

Industrial Products

Conveyor Belting: Our range of high quality conveyor belts features our patented Usflex – Uscothane Straight Warp construction together with conventional multi-ply belts.

Hose: We offer an extensive range of hose for applications in the Industrial, Chemical and Petroleum industries where high pressure and conveyance of gases or free flowing materials is required.

Sheeting and Matting: Our range of sheeting and matting is available to BS, DIN and other international standards.

Plastics Products

Royalite: Flexible and rigid ABS sheet and vacuum formed parts.

Ensolite: Closed-cell flexible foam; another leading product for a wide range of shock absorption, insulation and flotation applications.

Flex-Light is a new photopolymer printing plate and sleeve system developed specially for the growing flexographic industry.

Uniroyal Air Deflectors reduce air drag on trucks and cut fuel consumption, which means so much in these energy conscious times.

PowerGrip

Our timing belts and pulleys have an enormous variety of applications—from submarines to space craft, from typewriters to automotive camshaft drives. We continue to grow and maintain worldwide market leadership.

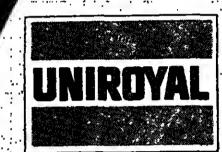
Precision Moulding

Uniroyal owns worldwide patents on wasteless and flashless manufacturing techniques for high precision rubber products like seals, brake components, oil seals, membranes, etc.

The know-how in this field gained during a development period of more than 20 years will also be available to our customers in the future.

Tredaire rubber underlay

Tredaire luxury carpet underlay is unquestionably the brand leader in the UK. Its sales growth has continued uninterrupted since its introduction 21 years ago.



Uniroyal Limited, 62 Horseferry Road, London SWIP 2AH. Telephone: 01-222 5611.

Unico/alsin Licolatosin

WAYS

ENDERS

MARQUAGO SE

EGAL NO

TRAVEL

PUBLIG

Ian Hargreaves looks at a British shipping company that has been the subject of moves either to influence or control it in the last three years

Furness Withy—shipper at bay

play whose direction and are continually threatened hy outsiders, the importance of whom is not immediately apparent.

The latest call at the shipping company's Fenchurch Street beadquarters in London is from Mr. Paul Bristol, chair-man of KCA International, who ten days ago telephoned Mr. Brian Shaw, Furness . Withy's chief executive, to tell him that KCA had built up a 12.13 per

cent stake in Furness Withy. This is the third time in three years that an outsider has sought to buy influence or control in Furness Withy's affairs. The other two suitors— European Ferries of London and Eurocanadian Sbipbold-ings, a Canadian-owned Swias and Bermuda-based private company—both retain atakes following their abortive manoeuvres and either or both could yet play a crucial role in the latest affair. Many other names bave been associated with possible bids for Furness, most of them property outfits greedy for the kind of tax advantages Trafalgar House picked up when it hought Cunard In 1971.

Old-fashioned

In the 1960s Furness was a glaringly obvious candidate for such attention. Its ramshackle organisation only loosely bound together a large number of subsidiaries, many of which had significant minority stakes. It was rich in assets at a time when those assets were highly profitable, it was under-managed and it was old-fashiooed. As an ageing aunt, it could not but suspect the worst possible motives from its many suitors, but it was not well placed to fight them off for long and, without the help of the Monopolies Commission in 1976, it might well not have succeeded in resisting Euro-

This has not created a particularly comfortable situation for Shew, who was elected Furness's chairman designate only on May 2 and who emhodies in personality, hackground and style, as well as position, all the reasons why the Furness Board wishes it could be left in peace to run its ships, hotels, offshore rigs and engineering interests.

Shew, a Liverpudlian and a qualified barrister, appears surprised that he has spent his entire career with the same Like P & O. Furness Withy become apparent that the oil the investment in these new shipping company. "I was sur- also had its boardroom crisis tanker slump was going to feed ships. On the East coast, profit

FURNESS WITHY has in recent prized even to be offered the years been rather like a joh in shipping. In 1957, I character in a Hsrold Pinter assumed that to get into shipping, your name had to be Brocklehank or Holt," he says.

The family tradition of the industry, which those names represent, has now almost entirely vanished from Furness Withy. "It's a totally different world today in most of the hig companies. The aristocratic. dynastic sest-of-the-pants men have gone and the industry is being run by young pro-fessionals."

Shaw's lucid, legal brain, which has a better memory for concepts and arguments than for figures, clearly fits the latter category. Lightly bullt and almost bald he carries with him an air of cool amhition which, like other aspects of his personality and business style. involves neither over-statement nor under-recognition. Within the abipping industry he is regarded as a certain future president of the General Council British Shipping and is already chairman of the Council of European and Japanese National Shipping Associations

he is at liberty to state. The bid, like that of Eurocanadian; is a clear challenge to Shaw's authority, record and atrategy and if it comes to a sbowdown at Furness's annual meeting on June 28, Sbaw will presumably stand on those points.

The record and strategy on which Shaw, and indeed-so far as one can tell—the cest of the Furness Withy Board, will stand is well defined and has been the subject of a great deal of bebind the scenes presentational effort in the last two or three years as Shaw and his colleagues have sought to win friends in the City institutions.

Like most shipping companies it cannot point to a record of dramatic growth in either revenue or profits. Gross revenue has increased by only 34 per cent between 1974 and 1978 and pre-tax profits have bobbed up and down with the shipping cycle in that period: £25m in 1974, £14m in 1975, £23m in 1976, £21m in 1977 and £12m last year. With a £179m turnover last year, Furness Withy is roughly one-sixth the size of P and O and it ranks around fourth place in the industry, depending

upon definitions of rank.



in the early 1970s. It stemmed from the appointment of Lord Beeching as non-executive chairman in 1973. Beeching's rule half a century. That fine tuning is considered, in retrospect, to have been bighly successful in re-organising the company along product lines, but his attempt to hring in an outsider But for the moment, Shaw's mind is firmly fixed on Furness Withy. He is undouhtedly more irritated by the KCA his and the split the Board. In the event, Beeching's candidate was reassted and shortly afterwards Beeching was replaced by the KCA his and the split the Board. In the event, Beeching's candidate was reassted and shortly afterwards. favour of Shaw next month.

Sbaw, who had headed Beeching's management committee, had joined the Board in 1973. emerged as the in-house strong man after the split and within four years was managing direc-tor and chief executive.

Exposure

He has huilt on the Beeching reorganisation by drawing together all the group's sblpping interests into a single company, managed by a strong executive team of younger career Furness men. Take career Furness men. Take away the oldest member of this seven-strong team, John Gawne, who is approaching retirement, and the average age is precisely that of Shaw himself, 46. Within that shipping division,

the secent has been on achieving a spread of exposure, moving away from Furness Withy's previous slmost exclusive reliance on good old British liner shipping routes (chiefly to Australasia, South America and the Mediterranean) into the higher risk areas of bulk shlpping, tankers and gas sblps.

It is a strategy which has

required perpetual fine tuning since 1974 when it started to high enough at present to repay become apparent that the oil the investment in these new

through into dry bulk shipping and then into liners—in the worst shipping recession for meant, for example, selling at profit the company's biggest ahip, the 169,000 dwt ore and oil carrier Furness Bridge, even though such a vessel was an obvious part of the original strategy.
Shaw is absolutely convinced that the company has got the

halance right now. It has la dry bulk carriers, 16 container shipa, ten general cargo liners, six gas carriers, five refrigerated ships, one old crude tanker and two oil products carriers to be delivered soon. The minimal exposure to anker freights haa kept

Furness out of the worst hlizzards of the recession and Sbaw now argues that the dry bulk interest is large enough to reap the benefits of steadily improving markets and provide a cushion for the liner interests, which almost everyone agrees face at least two very dull years because of a chronic excess of supply of tonnage over demand. Furness's gas carriers, unlike the notorious P & O ships, involve little risk as they are all on some form of long-term, hareboat charter to Gazocean.

Shaw is certainly right that the liner interests now look the most worrying part of the portfolio. The Overseas Containers consortium, which has absorbed Furness's New Interests, is forecasting con-tinued hard times and although South America remains fairly steady in trading terms, the company's services to the West re-tonnaged and rates are not

ability is better, hut a move towards containerisation could materialise suddenly, forcing Furness into further heavy investment. Like all the major British shipping companies, Furness has a modern fleet, but in today's climate this is a financial handicap because of the profuse availability of cheaper, older ships run in many cases under cheaper flags. The advantages of modern, faster, more sophisticated ships only start to anneac when trade is humming and speed and performance are

There are rather more ohvions problems at Manchester Liners, which Eurocanadian still holds a 37 per cent stake, and which last year passed its dividend, having seen profits reduced from £1.8m pre-tax to £0.5m pre-tax.

The main reason for this poor performance, which shows no signs of improving, has been the pressure on rates caused chiefly by Eurocanadian's own underentting by as much as 20 per cent with its Europe-Canada combined bulk and contained service operated by its Cast subsidiary. Shaw points out, ruefully, that no one knows whether Eurocanadian, since It is private, is making or losing money on the operation.



executive of Furness Withy, ten days ago revealed that yet another company had an eye on Furness Withy, with KCA having built up a 12.13 par cent shareholding in the shipping company. (Above) One of the "bright sparks" among Furness Withy's activities—a semi-submersible fire fighting and maintenance

Further difficulties have been ing and maintenance vessel has a highly delegated structure. caused by port problems and by proved a market leader in the This would, among many other the simple fact that Manchester British sector of the North Sea things, make it possible for him Liners has too many ships. It and was solely responsible for has been the company's policy to turning the subsidiary from loss bold excess tonnage and charter to profit last year. It looks as it out in the open market, but a pair of British huilt container- to carry comfortably the more ships which cost £25m two years motley performance of other ago are now providing a sub-stantial drain because of depressed charter rates. If the Government were to be per making good returns, but in 1977 suaded, as is possible, that the all these interests were still moratorium on debt with UK short of the Shaw yardstick shipyards offered to smaller shipowners last year should be must be capable of moving extended to the big companies, Manchester Liners could well be in the queue for aid. In all, Furness's 1977 balance sheet Shaw is particularly excited showed £66m of UK debt, most about Furness's venture into

Yardstick

Faced with such tough condi-tions in its staple liner business, Furness is also looking to in creased contributions from nonshipping activities. Shipping at present accounts for only 50 per cent of profit, with the rest divided evenly between Houlder Offshore activities and a miscellany of insurance, engineering, port, and hotel

Here there are some very hright sparks. Houlder's Uncle

though this vessel will be able interests in Houlder Offshore.

In the miscellaneous sector, Saxon lans and insurance are making good returns, but in 1977 which is that all subsidiaries quickly to flm pre-tax profitability in their own right or be dismissed as too small.

of which is for ships built in microelectronics through Compugraphics; which appears to have sole grip on an important, if limited, slice of the UK microchip industry.

Shaw accepts, however, that he still has some way to go in structuring both hoard and management to reflect these changing emphases. There is no representative of the non-marine interests on the Board and when Mr. John Houlder, 63, the boffinlike chairman of Houlder Offshore retires, it is far from clear who will succeed him. This gap is one which Mc. Bristol is now seeking to exploit.

Shaw says his aim is to avoid

to find time to serve as president of the GCBS, if he is invited. He argues that after McKinsey and the Boston Coosulting Group had gone into P & O and Ocean Transport and Trading, both suffered from a period of overmanagement in reaction against the unstructured ways of the old dynasties. "We are trying to combine the best of both systems," he says.

Whether events outside the company's door will permit Shaw to keep a free hand remains to be seen. Many inter-pretations of the strategy of KCA and Eurocanadian are possible, but it seems likely that Eurocanadian still has its sights set on winning control of Manchester Liners within the constraints of the Monopolies Commission ruling that its holding in Furness Withy must be down to 10 per cent by the end of this year. So far, however, there is no obvious sign that the other hig block of shares (estimated at 25 per cent) in Furness controlled by Rea Brothers has been marshalled

in support of the latest move. "All I would like is more time to spend running the huslness on behalf of the majority of our shareholders rather than dealing with these timepersonalising the business consuming problems," says the through himself and to create embattled Shaw.

Superfos a/s Vedbaek-Denmark

U.S. \$ 50,000,000 Ten Year Loan

Managed by

CREDIT LYONNAIS

BANK OF MONTREAL

SCANDINAVIAN BANK LIMITED

DEN DANSKE BANK AF 1871 AKTIESELŞKAB

PRIVATBANKEN A/S

and provided by

BANK OF MONTREAL

CREDIT LYONNAIS

SCANDINAVIAN BANK LIMITED

CHEMICAL BANK

DEN DANSKE BANK AF 1871 AKTIESELSKAB GRAND CAYMAN BRANCH

MIDLAND BANK LTD

PRIVATBANKEN INTERNATIONAL (DENMARK) S.A.

WESTLB INTERNATIONAL S.A.

SWISS BANK CORPORATION (INTERNATIONAL) LIMITED DIE ERSTE ÖSTERREICHISCHE SPAR - CASSE

SOCIETE GENERALE DE BANQUE S.A.

IRVING TRUST COMPANY

Agent CREDIT LYONNAIS





Qualifying for finance from official sources ALTHOUGH many small firms (CoSIRA), the Scottish Develop-

may look to government or ment Agency, Welsh Developgovernment agencles for financial assistance they should not
be under the misapprehension
that government is a lending incrafts Advisory Committee. stitution per se. Foc while government does provide financial assistance to industry on a significant scale, this is done in pursuit of certain policy objec-

This is a message put across in a booklet produced by the Leicestershire Small Firms Centre as a guide to official sources of finance for the businessman,

Called Do I Qualify?, the booklet sets out to provide information on a variety of finan-cial facilities ranging from government grants to the different forms of assistance offered by various EEC agencies. In its content, the booklet covers ground also touch on in others such as the Money for Business guide produced hy the Bank of England and the City Communications Centre, but it tends to elaborate more than others on the financial options available from Government departments.

It spells out in detail which are the assisted areas in Britain and precisely what assistance can be given in them, Illustrating the sort of schemes that might well be put up to the government by a small firm and the scale of financial backing that might be forthcoming.

There is then coverage of the different government agencies, such as the Manpower Services Commission, Council for Small Industries in Rural Areas

Business courses

The China Briefing—latest developments in the world's fastest changing Brussels. July 12-13. Management Europe, avenue des Arts 4 B-1040, Brussels, Belgium. Inter-Personal Effectiveness Wurkshops: Developing the Skills of Self-Assertion, Brunel University, Uxbridge, July 12-13. Fee: £125. Details frem The Secretary, Management Programme, Brunel University, Uxbridge, Middx, UBS 3PH. Colchester. July 10-13. Fee: £275 (inclusive). Details from Management in Action, 121 St. James's Drive, Wandsworth Common, London SW17 7RP. Improve Your Company's Internal Communicators, Lonion. July 12-13. Details frem Eurotech Monsgement Developnent Service, PO Box 28 Camberley, Surrey GU16 5HR. nternational Word Processing Exhibition and Conference, Wembley. July 10-13. Details rom Hart Browne and Curtis, Sackville Street, London 1X 1DB. eveloping Effective Policies

To Managing People, London. Line 5. Details from Human Resource Management. 83 Pall Will, London SW1Y 5ES.

What It does not do, as its subtitle specifying "official sources" of finance implies, is provide background, or detailed names and addresses of the institutional financial sector embracing banking and similar financial organisations.

As the Small Firms Centre itself admits, it is "inevitable" that some aspects of the hooklet might fairly quickly become outdated and it therefore is planned to issue amendment sheets from time to time which can be added to the booklet. At a cost of £ it ls available from Leicester shire Small Firms Centre, 8 St Martins, Leicester, telephone Leicester (0533) 22632.

Sip gently between the Chateaubriand and the Chateau Lafitte. Clear, pure, refreshing Spa.

onngwater. Guarante the palate between

Original Spa contains less salt than any other table water brand.

So don't just say mineral water. Say Original Spa.

DRINK YOUR HEALTH IN PURE SPRINGWATER



NOTICE OF READJUSTMENT OF CONVERSION PRIVILEGES

to the Halders of

Alusuisse International N.V. Curação 4¼ Guaranteed Convertible Debentures of 1969 due March 1, 1987

Guaranteed by

Swiss Aluminium Ltd.

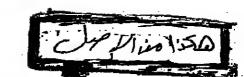
Notice is hereby given pursuant to Section 4.03 of the Trust Agreement and Guarantee dated as of March 1, 1969, under which the above Debentures were issued that the conversion privileges of such Debentures have been re-adjusted. Originally each Debenture was convertible into ane bearer share af Swiss Aluminium Ltd. (hereinafter called the «Guarantop). Subsequent to the 1971, 1973 and 1974 capital increases of the Guarantor each Debenture was convertible into one bearer share, whereby each Debentureholder had, in addition, the right upon such conversion to purchase % of a bearer share and % of a registered share upon payment of 281.25 Swiss Francs for such fractional shares. Hereafter pursuant to paragraph 5 of the Debentures, each Debentureholder shall have the right upon such conversion to purchase additionally 1/4s of a bearer share and 1/2s of a registered share per Debenture converted upon payment of 191.65 Swiss Francs for such fractional shares.

As a result of this re-adjustment, each Debenture is now convertible into ane bearer share af the Guarantor and confers the right upon such conversion to purchase 29/48 of a bearer share and 7/48 of a registered share upon payment of 472.90 Swiss Francs. Na fractional shares shall be issued but a Debentureholder may either purchase additional fractional interests to make up full bearer shares and/or registered shares ar sell the fractional interests as provided in paragraph 6 of the Debenture.

The event which caused the present re-adjustment was that the Guarantor affered to existing halders of its stock, in accordance with a decision of its General Meeting of April 18, 1979 the right to subscribe for one share of bearer stock, entitled to dividend as af January 1, 1979, for each six shares of bearer stock previously held by them, at a price of 800. – Swiss Francs per bearer share and for one share of registered stock, entitled to dividend as of January 1, 1979, far each six shares of registered stock, previously held by them, at a price of 400. - Swiss Francs per registered share. Pursuant to paragraph 5 of the Debentures, Alusuisse Internatianal N.V. has subscribed for the additional bearer and registered shares to which it was entitled and has agreed to deposit such additional shares with Credit Suisse, as trustee under the above mentioned Trust Agreement and Guarantee, as security for the conversion rights of the Debentureholders.

Zurich, May 21, 1979

Credit Suisse as Trustee





The application list for the ordinary shares now offered for sale will open at 10 a.m. on Thursday, 24th May 1979 and may be closed at any time thereafter. The procedure for application is set out at the end of this Offer for Sola.

B&Q(Retail) Limited

Offer for Sale

Kleinwort, Benson Limited

of 4,895,250 ordinary shares of 5p each at 60p per share payable in full on application

The ordinary shares now offered for sale will rank in full for all dividends hereafter declared or paid on the ordinary share capital of the Company.

OAVID ANDREW QUAYLE B & Q (Retail) Limited, Third Avanue, Millbrook Trading Estate, Southampton SO9 1RE,

the Registrar of Companies for registration. Application has been made to the Council of The Stock go for the issued share capital of B & Q (Retail) Limited ("the Company") to be admitted to the

ALLEN JOHN FOSTER B.& Q (Retail) Limited, Third Avenue, Millbrook Trading Estate, Southampton SO9 1 RE. (Managing Director)

ANTHONY BRENT CLOWES B & Q (Retail) Limited, Third Avenue, Millbrook Trading Estate, Southempton SO9 1 RE JOHN RICHARD COOPER B & Q (Retail) Limited, Third Avenue, Millbrook Trading Estate, Southampton SO9 1RE,

ALAN STEPHEN GREENSIDES B & Q (Retail) Limited, Third Avenue, Millbrook Trading Estate, Southampton SO9 1RE, ROGER ROBERT EDWARD HEMINWAY

B & Q (Retail) Limited, Third Avenue, Millbrook Trading Estate, Southampton SO9 1RE.

JAMES CLIFFORD HODKINSON B & Q (Retail) Limited, Third Avenue, Millbrook Trading Estate, Southempton SO9 1RE, JOHN ANTHONY KENNEDY, 8.A. (ECON.), F.C.A.

B & Q (Retail) Limited, Third Avenua, Millorook Treding Estate, Southampton SO9 1RE. JOHN CHARLES JOSEPH TURNER B & Q (Retail) Limited, Third Avenue, Millprook Trading Estate, Southampton SO9 1RE.

COLIN PETER GERVAISE-BRAZIER Thomes Supplies Limited, Sydney Vana House, St. Pater Port, Guernsey, Channel Islands.

JOHN EDWARD MORRIS, & Eng., F.I.Gas E. Guernsey Gas Light Company Limited, Sydney Vang House, St. Peter Port, Guernsey, Channel Islands.

SHARE CAPITAL

Issued and fully paid £979,050

£1,200,000 in 24,000,000 ordinary shares of 5p each

INDEBTEDNESS

At the close of business on 28th April 1979 the Company had outstanding a

loan of £500,000, secured by a second floating charge over all the undertaking

and property of the Company and its subsidiaries. There is also outstanding a

debenture in favour of Lloyds Bank Limited creating e first fixed charge on the free-

hold and leasehold properties, goodwill and uncalled capital of the Company and

its subsidiaries, and floating charges over all other property and assets of the

Company and its subsidiaries to secure all monies and liabilities dua by tha

Company and its subsidieries to Lloyds Benk Limited. Save as disclosed herein,

at 28th April 1979 the Company and its subsidianes had no loan capital (including

term logns) outstanding or created but unissued and, save for intra-group

liabilities, had outstanding no mortgages, charges or other borrowings or

indabtedness in the nature of borrowings, including bank overdrefts, liabilities

under acceptances or acceptance credits, hirs purchase commitments or guarantees

Chartered Accountants 11 Westwood Road, Southampton SO9 1QS. **Joint Reporting Accountants** PEAT, MARWICK, MITCHELL & CO.,

HEPHERD, WINSTANLEY & PUGH.

To the Offar. LINKLATERS & PAINES, 22 Kings Park Road, Southampton SO9 2US. Barrington House, 59-67 Gresham Street, London EC2V 7JA. **Brokers**

Receiving Bankers

KLEINWORT, BENSON LIMITED,

HOARE GOVETT LIMITED. Atlas House, 1 King Street, London EC2V 8DU and at The Stock Exchange.

Secretary and Registered Office

JOHN ANTHONY KENNEDY, B.A. (ECON.), F.C.A.

B & Q (Retail) Limited, Third Avenue, Millbrook Trading Estate, Southempton SQ9 1RE,

Auditors and Joint Reporting Accountants

1 Puddle Dock, Blackfnars, London EC4V 3PD.

BURNETT, SWAYNE & CO.,

LLOYDS BANK LIMITED. 16 Bournemouth Road, Chandler's Ford, Eastleigh,

New Issue Department Hampshire SO5 3DB. Registrars and Transfer Office LLOYDS BANK LIMITED,

Registrar's Oppartment, Goring-by-Sea, Worthing, West Sussex BN12 6DA. **Estate Agents and Valuers** LEAVERS. 36 Bruton Street, London W1X 8AD.

The following is a copy of a letter to the Directors of Klainwort, Benson Limited from David Quayle, Chairman of B & Q (Retail) Limited:—

Millbrook Trading Estata. Southampton SO9 1RE. 17th May 1979

In connection with your Offer for Sale of ordinary shares in B & Q (Retail) Limited ("the Company"), I have pleasure in providing you with the following information about the Company and its subsidiaries ("B & Q"):—

· B & Q is one of the leading chains of DIY retailers in England operating 26 Supercentres, as shown on the map, with a total selling area of over 420,000 square feet. The cunent annual rate of turnover, based on actual performance for the first quarter of the current financial period, is in excess of £20 million. Supercentres are set out along modern supermarket lines. B & C's aim is to stock at each Supercentre all items which a person needs to maintain and improve a home. regether with a range of gardening groducts and car accessories. Stock comprises nationally recognised brands and other quality merchandise.

> A wide product range Opening from 9 a.m. to 8 p.m. Monday to Salurday Free parking

Competitive pricing Spacious, low cost premises
Prominent locations

PRODUCT RANGE

4 1 1 2 2 2.3.13.15

r.

Part of the second

5.5

y and the Company

A STATE OF THE STATE OF

A. A. F.

The Directors.

Klainwort, Benson Limited.

HISTORY. I started in partnership with my brother-in-law, Richard Block, in lata 1968. We opened our first Supercentre in Southempton of 2.900 square feet in Merch 1969, trading as Block & Quayle. We formed the Company in February 1970 with a capital of £80 and an overdraft facility of £12,000. Richard Block retired from the Company in 1978 and has since sold his shares. The foundation of B & C/a expansion was the bringing together over the years of a number

of expanenced retailers of the entrepreneural type who, as part owners, developed the original regional companies. In preparation for this Offer for Sala, these minority interests were axchanged for shares in the Company with effect from 28th January 1979. I am satisfied that, by reason of these shareholdings and the new incantives which have been introduced, the motivation of these individuals towards the future development of B & Oramains as strong as evar.

The growth of B & Q is well illustrated by the table "Sales Areas Opened".

SUPERCENTRES B & O considers the size and position of Sugarcentres in relation to local population. visibility from a main road and parking facilities to be more important then the building itself to the success of the operation. Buildings are therefore of many sorts and sizes. We operate from converted garages, cinemas, showrooms, factories, entertainment centres, builders' marchants and warehouse premises as well as from four purpose built developments, it is surprising how

attractive the conversions are. We rarely pay more than warehouse rants.

The everage size of Supercentres including outside garden centres is in excess of 16,000 square feet, with an average of more than 50 car parking spaces.

SALES AND SERVICE
Supercentres are laid out to a logical plan with modern supermarket styla recking and with all stock on display. They are well lit and departments are clearly signed. Staff are on hand to give advice. Customers select goods for themselves and pay at checkouts. A delivery service is available at an extra charge. For the convenience of customers all Supercentres are open from 9 a.m. to 8 p.m. from Monday to Saturday, including all public holidays with the exception of Christmas. Free parking is generally available.

In satisfying the aim of providing everything for home maintenance and improvement under one roof, as well as a range of gardening products and car accessories, B & O's range,

Bathroom fittings Building board	s, includes tha following:- Double glazing Electrical accessories	Hardware Housewares	Lighting Point	
Caraccessories Carpet Cailing tiles Ceramic tiles	Flooring Gerden furniture Gardening products Hand and power tools	Insulation Kitchen and other furoiture Ladders	Plumbing Sanitarywata Timber Wallpaper	

RUYING AND PRICING POLICY The merchandise sold is selected by Head Office buyers and presented for approval to a committee of Supercentra managers under the Chairmanship of the Marchandise Director. New products in the general erea of DIY are communally being tought. Although purchasing and payment arrangements are dealt with at Head Office in Southampton, orders are placed by and goods are delivered directly to individual Supercentres. B & Q has no long-term contract w supplier, The stock level of each Supercentre is controlled egainst its predetermined budget, ed on holding two months' atock.

B & Q follows a competitive pricing policy and, because of the volume of sales, it has substantial buying power and is able to obtain favourable terms. When purchase prices have been negotiated, each Supercentre is advised by Head Diffice of the B & Q selling price. However, individual Supercentre managers have authority to adjust prices in the light of local competition.

Of the 26 Supercentres, three are freehold and the remainder are held on lease, most of which have unexpired periods in excess of fifteen years, with rent reviews in the main at five The freehold properties were valued by Leavers, Estate Agents and Valuers, in January

1978 and the surplus of £191,000 was incorporated in the accounts for the 52 week period ended 28th Jenuary 1978. The same frashold properties (with the exception of Millbrook, Southempton, which has been sold and leased back), together with the leasehold properties at Manchester, Ashford and Portsmouth, were revalued at 23rd April 1979. This revaluation showed a surplus of £230,000 over the January 1979 book value of £597,000, which surplus is in addition to the net assets of £1,712,000 as at 27th January 1979. The remaining leaseholds, which are subject to market rent reviews within the next six years, have not been valued. The Directors of the Company ere of the opinion that there is no material value in those leases in excess of the depreciated value of tenants' improvements.

The location, size and tenure of the properties are set out in Appendix (to the Offer for Sala.

SUMMARY

1976

Financial period ended January

1978

1979

1977

1080

The fallowing information is derived from the full text of the Offer for Sale and accordingly must be read in conjunction with that text.

B& Q is one of the leading chains of DIY retailers, Trading Record

or other material contingent liabilities.

Safes	866	1,695	3,300	5,155	14,236	
Profit before taxation and extra- ordinary items	27	. 57	789	394	968	
Profit efter taxatian and belare extraordinary items	27	67	169	394	851	
Net assets	87	154	348	907	1,712	
Supercentres						
Number opened at period end	. 5	7	12	16	25	
Approximate selling area apened at period and (sq. ft.)	32,500	49,300	132,900	196,100	394,500	
Since 27th January 1979 are new sxtensian to the Hildenborough Sur	osrceatrs have	been sps	ned, giving	eggrsgats	additions	
celling area of approximately 29.10						
Grays and Conterbury and an extens tional selling area of approximately						

opened in the 52 week period ending 26th January 1980; a number of prospective Supercentres are at varisus stages af negotiatian. Forecast for the 52 week pariod ending 25th January 1980

Profit befare taxatian and extraordicary items—not less than £1.9 million Dividend payabla per shara 7-85p Offer for Sala statistics Offer far Sala price 60p per share Market capitalisatioa..... £11·75 million 12-9 times Dividend cover 2-8 timae

DIRECTORS, STAFF AND ORGANISATION

I am the Chairman of the Company and am 42 years old. I was one of the two original mers of B & Q and I am now responsible for its overall strategy and direction.

Allen Foster (aged 44) has been with B & Q since 1978 and was initially responsible for the development of the London region. He became Group Managing Director in December 1978 and is responsible for overall supervision of Supercentres and the co-ordination of Head Office

Amhony Clowes (aged 3S) has been with B & Q aince 1976 and is responsible for

operating end developing the Northern region.

John Cooper (aged 36) has been with B & Q since October 1978 and is responsible for developing B & Q's operations in the West of England.

Alan Greensides (eged 36), who has been with B & Q since March 1978, is the Merchan-

Alan Greensides (aged 35), who has been with B & Q since 1974, was originally responsible for all of B & Q's buying.

Roger Heminway (aged 42), who has been with B & Q since 1974, was originally responsible for B & Q's operations in Kent but now concentrates on finding and negotiating sites in South East England. Ha la also Chairman of the Company's Finance and Legal Committee.

James Hodkinson (aged 35) has been with B & Q since 1972. Ha was initially manager of the Bournemouth Supercentre, becoming responsible for developing the Southern region in 1976, which has recently been expanded to include London and Kent.

John Kennedy (aged 31) is a chartered accountant and has been with B & Q since 1976. He is Finance Director and Company Secretary.

John Turner (aged 41) has been with B & Q since 1971. After a period as a Supercentre manager he became responsible for building up the buying organisation. He then moved to the Midlands and is now developing that region. He is also responsible for the Company's Staff Company. Colin Gervaise Brazier (aged 36) is a non-executive Director; he has been Managing tor of B & O's associated company, Thomes Supplies Limited, in Guerrisey sinca 1974.

John Morris (aged 56) is a non-executive Director; he joined the Board in August 1978.

as the representative of F. C. Thome & Company (1950) Limited (see Finance and Working The previous commercial experience of the Directors, except for John Kennedy and the non-executive Directors, was wholly or largely in the retail trada and in many cases in activities

Each of the executive Directors has a service contract with the Company. These provide for a basic salary and, with the exception of mysalf, for certain bonuses. Details of these contracts ara set out in Appandix III to the Offer for Sale.

Since 1969 our policy has been to develop a positive relationship with the staff, currently obening over 850, of whom approximately half are pan-ome. We aim to develop this refationship in three principal ways :----comprehensive training and job appraisal; and

In addition to basic remuneration, which is maintained at market levels, staff qualify for a basic four weeks' paid holiday and, after one year, for two weeks' pay as a holiday bonus and

of basic remuneration, representing 7.4 per cent of profit belors tax. In addition, staff also qualify for a rebate on purchases from B & O and the be nefit of lise life and baalth insurance. The Company has a contributory pension scheme which is contracted out of the State Scheme. All executive Directors (excluding myself) and full time staff are required to be members of the Company pension scheme; part-time members of staff working over eighteen hours a week mey join the Company scheme if they so wish. The scheme benefits include a pension of twothirds of final scheme salaty and a widow's pension of half the member's entitlement. Training programmes ere operated for ell grades of staff up to and including managers and, for its standard of training, B & Q received in 1977 e Distributive Industry Training Board Award. Members of staff are asked annually to comment in writing on their individual jobs, and they see and discuss with management the annual appraisal of their work.

one week's pay as a Christmas bonus. They elso qualify for a share of the profits twice a year, which, in respect of the pariod ended 27th January 1979, amounted to en average of 8,9 per cent.

Managemant and staff era involved in various ways with decision making in B & C. For example, Supercentre menagers ait in turn on the Merchandise Committee, which, under the example, Supercentre managers at in turn on the Merchandise Committee, which, under the Cheirmanship of the Merchandise Director, is responsible for approving goods to be sold. Supercentre managers sit on the Pay and Conditions Committee, which recommands to the Staff Committee of the Board the pay scales and conditions of employment. In addition, an Employee Benefit Trust has recently been established to hold and administer a shareholding in the Company which, following the Differ for Sale, will amount to approximately 3.6 per cent. of the issued

B & Q believes that an interested and satisfied workforce is an immeasurable asset and

The Head Office of B & Q is at Millbrook, Southamoton. The activities of B & Q are divided into four geographical regions, each one of which is the responsibility of a regional Director. In two cases regional Directors are assisted by operations managers. Each Supercentre has a manager who, in the case of larger Supercentres, is assisted by a deputy manager. At every Supercentre there are two or more assistant managers, and departments within a Supercentre are the responsibility of particular individuale.

As Supercentres are open for 11 hours a day for six days a week, a staff rota system, based

on a 40 hour wask, is o pereted for full time staff.

CHANNEL ISLANDS INTEREST

B & Q has a 25.1 per cent interest in the shere cepital of Thomes Supplies Limitad ("Thomes"), a Guernsey registered company, which has operated, in close association with B & Q, one DIY Supercentre in Guernsey since December 1972 and, since October 1975, a nes and Gardens Supercentia at St. John in Jersey through ita 80 per cent. owned au John Le Sueur (Homes and Gardens) Limited. The other shareholders of Thornes are Guernsey Gas Light Company Limited ("Guernsaygas") (38.6 per cent.), Richard Block (24.8 per cant.) and Colin Gervaise-Brazier (11.5 par cent.); The B & Q interest in Thomas was acquired in February 1979, as datailed in Appendix III to the Offer for Sale. In the 52 week period anded 27th January 1979, the consolidated accounts of Thornes showed tumovar of approximately £1.1 million end profit before taxadon of £54,000.

From the time that these two Channal Islande Supercentres were opened until 27th

January 1979. B & Q provided buying and accountancy services from Head Office at cost. From that date, revised terms have been agreed, whereby B & Q will continue to provide the sams services for a minimum period of three years for a fee equal to 2 per cent. of the annual tumover of Thomas. The Directors of the Company astimate that this fee will exceed the cost of providing these services.

of providing trees services.

In order to preserve the close association between B & Q and Thornes, Colin GervaiseBrazier will continue as a non-executive Director of the Company and 1 will continue as a

FINANCE AND WORKING CAPITAL

In March 1874 Sopress Investments Limited ("Sopress"), a subsidiary of Southern Newspapere Limited, ecquired 20 per cent. of the share cepitel of the Company and made available a secured losn of £250,000. In August 1978 this loan was raplaced by F. C. Thoma & Company (1960) Limited ("F. C. Thome"), a Guernsey-based company, which also ecquired the Sopress share interest in the Company and egreed to make available two further loans of £250,000 each, secured by second floating charges, of which one remains to be drawn down after 1st August 1979. The shareholders of F. C. Thorne are Guernseyges (76 per cent.) and after 1st August 1979. The shareholder ICFC (Guernsey) Limited (2S per cent.).

In addition to the loan facilities referred to above, the Company has recemly negotiated en Increased overdreft facility of £1.5 million with Lloyda Bank Limited, secured by fixed and lloating

In order to permit the Company to ourchees properties, on which sale and leasaback arrangements can subsequently be made, Lloyds Bank Limited has made available a further

facility of £400,000, which will be secured on properties as and when purchased.

Taking into account the various facilities described above, the Directors are satisfied that B & Q heasufficient working cepital for its present requirements.

The tumover and profitability of B & Q have increased substantially in each of the last five financial periods. While the increase in tumover healerisen principally on account of the additional selling area opened in each period, it has been B & Q's experience that tumover of established Sopercentres has ganerally continued to grow in real terms in the financial periods following

While the Directors cannot guarantee that the increase in selling area will be as great during the current financial period as it was in the previous period, they do, however, expect that there will be a further significant increase. So far in the current financial period, one new Supercentre at Cheltenham and an outside gardan centre extension to the Hildenborough Supercentre, with an aggregate selling area of approximately 29,100 square feet, have been opened, gnd a further three Supercentres at Herne Bay, Grays and Canterbury and an extension to the Barrow Supercentre, with an aggregate selling area of approximately 48,800 square feet, will be opened during the current financial period. A number of prospective Supercentres are at various stages of

On the basis of the assumptions set out in paragraph 1 of Appendix II to the Offer for Sale, the Directors foretast that, in the absence of unforeseen circumstances, profit before taxation and extraordinary items of B.& Q (including its share of the profit of its associated company, Thomas) for the 52 week period anding 26th January 1980 will be not less than £1,900,000, compared with £960,000 for the 52 week period anded 27th January 1979.

B&Q (Retail) Limited

Continued-

DIVIDENDS On the besis of the above profit forecest, the Directors Intend to recommend a total dividend of 1.65p per share in respect of the 52 week paned ending 26th January 1980. It is proposed that this dividend will be paid as follows:-

0-65p payable in November 1979 terim 1-00p payable in July 1980 Final 1-65p

Under current dividend legislation, which expires on 31st July 1979, the Company would be exempt from dividend restraint in respect of both the financial periods ending 26th January 1980 and 31st Jenuery 1981.

APPROPRIATION OF PROFIT AND OFFER FOR SALE STATISTICS By wey of illustration only, the following table sets out how a profit before taxation of

£1,900,000 for the 52 week period ending 26th January 1980 would be appropriated :-(i) ignoring the costs of the Offer for Sale, surpluses or deficits on the disposal of properties and other extreordinary items, and

 (ii) essuming a charge for corporation tax of 52 per cent, this being the approximate epplicable rate based on existing tax legislation and on the assumptions on which the profit forecast has been prepared and teking into eccount forecast capital expenditure and stock levels. Texation relief on capital expenditure incurred on further Supercentres may result in an actual taxetion cherge at a rate somewhat lower than 52 per cent.

1,900 988 Profit efter texation ...

less: Forecast dividend 912 323 589 Price cerningeratio at the Olfer for 5ale price of 60p per shere.. .. 12.9 times Dividend yield (inclusive of related tax credit essumed at 33/67the) . . . 4-1 per cent.

My fellow Directors and I believe that there will be further real expansion in the OIY market in the future and it is our eim to participate fully in this expension. We have accumulated nearly ten years of corporate experience, built up a competent and decisive management team and we have sufficient finance available to open an average-eized Supercentre every month, provided suitable sites can be obtained. We have built up conorderable experience in finding, negotiating and obtaining planning consent on sites. We believe we have a sound formula for the profitable expension of B & Q.

David Quayle, Chairman.

Yours faithfully.

ACCOUNTANTS' REPORT

The following is a copy of the report to the Directors of B & D (Retail) Limited and Kelmwort, Barson Limited, received from Burnert, Swayne & Co., Auditors and Joint Reporting Accountants, and Peat, Marwick, Mitchell & Co., Joint Reporting Accountants:—

Surnett, Swayne & Co., 11 Westwood Road, Southampton 5D9 1QS. Peat, Marwick, Mitchell & Co., 1 Fuddle Dock, Stackfriats, London ECAV 3FD.

The Directors, 8 & D (Retail) Limited

£11.75 million.

Gentlemen,

We have examined the eudited accounts of B & Q (Retail) Limited ("the Company") and its subsidiary companies, collectively indered to as "the Group", for the periods relevant to this report. Burnett, 5 wayne & Co. have acted as auditors of all the Companies were partly owned at 27th January 1878, the Company's interests having been acquired for cash at verying dates during the period under review, auch acquisitions having been effective prior to their respective dates of commencement to trade. With effect from 28th January 1978 the minority shareholdings in the subsidiary companies were acquired in consideration for the issue of ordinary shares in the Company, such shales being regarded by the Oirectors as having been issued at their par value.

The summarised profit and loss accounts, balance sheets and source and application of funds statements set out below are based on the audited account after making such adjustments as we consider appropriate including, having regert to the acquisition of the minority shareholdings in the subsidiary companies referred to above, adjustments to reflect the ordinary shares of the Company issued as consideration and to eliminate the interests of minority shareholders in the profits and not assets of the subsidiary companies for the relevant periods, fin our opinion these summaries, together with the notes thereon, give, under the convention stated below, a true and fair view of the profits and sources and applications of funds of the Group for the periods stated end of the state of affeirs of the Ompany and of the Group at the dates stated.

No audited accounts of the Company or of any of its subsidiaries have been prepared in respect of any period subsequent to 27th January 1979.

1. ACCOUNTING POLICIES .

504

191

1,304

695 609 RESERVES ..

Issued ... Shares issued subsection

to 27th January 1979 for

rho-acquisition of muo... Sheheld against a subside

The principal eccounting policies of the Group which have been applied in preparing the summarised profit and loss accounts, balance sheets and source and application of funds statements consistently throughout the penod covered by this report are as follows:— Accounting convention
The accounts have been prepared under the historical cost convention as supplemented by the revaluation

ol freehold properties.
(rl) Basis of consolidation The consolidated accounts of the Group comprise the accounts of the Company and its subsidiaries, ell

having a common accounting date.

(iii) Sales

Stocks
Stocks
Stocks are valued at the lower of cost and net realisable value.

Depreciation
Oppreciation is provided on estraight line basis as follows:—
period

period from payment of premium to next relevant rent rev shorter of remaining territor lease and estimated life

Pre-opening expenses
Pre-opening expenses on new Supercentres are written off in the period in which they are incurred.

(vii) Deferred taxation
Oeferred taxation is provided under the fiability method in respect of all timing differences other than those which are expected with reasonable probability to continue in the future. No provision is made in respect of taxation on revaluation surpluses where it is not enviseged that the property will be sold. 2. PRDFIT AND LOSS ACCOUNTS The summansed consolidated profit end loss accounts of the Group for the periods covered by this report are as follows:—

52 weeks 53 weeks 52 weeks 52 weeks 52 weeks ended 27th 31st January 1977 2000 3,300 3,131 January 1975 £000 868 839 January 1976 £000 1,695 1,628 1978 1000 6,155 5,761 1979 £000 14,238 13,278 67 169 394 950 Profit efter taxation and before extra-67 169 394 251 23 67 192 802 0.34p 0.86p 4.35p 0.149 2019 3. BALANCE SHEETS The summarised consolidated balance sheets of the Group et the accounting dates relevant to this report and of the Company at 27th January t 979 are as follows:— The Gra The Company
27th January 1979 January 1974 1975 January 1976 1977 1978 1979 £000 FIXED ASSETS 738 Long leasehold propert Short leasehold propert 75 445 84 787 32 35 57 139 Plam, equipment and 189 15 20 82 108 281 653 47 107 385 1,537 804 619 SUBSIDIARY COMPANIES 5(VE) 489 1,854 CURRENT ASSETS 559 92 150 8 1,229 105 60 10 50B Stock
Debtors and prepayments
Short term deposits
Cash
Amounts due from sub-2,913 38 30 139 183 31 1,756 132. 234 458 807 2,353 1,404 . 3,127 CURRENT LIABILITIES 1,381 85 94 117 321 512 8 1,248 2128 117 277 Short term loans (secured) 30 37 180 118 526 Sank overdraft (secured) 17B 525 700 1,972 124 154 439 · 1,70f 2.769 NET CURRENT ASSETS/ 381 (LIABILITIES) (500) LOANS (SECURED) .. 5(WH) (297) (303) 107 358 (500) (100) (250)(250) 346 907 1,712 1,304 NET ASSETS 55 87 164 SHARE CAPITAL

4. SOURCEAND APPLICATION OF FUNDS STATEMENTS The summerised consolidated sources and applications of funds of the Group for the periods covered by this report are as follows:—

ended 27th ended 25th anded 31st er.ded 28th January lanuary 1978 1975 £000 1976 1977 £000 £000 SOURCEOFFUNDS Profit before taxation and extraordinary items
dissiment for items not involving
movement of funds: 169 394 960 27 67 162 3 79 - 41 Loss/(profit) on sale of fixed ass (1) 97 217 475 1,125 Total generated from operations Other spurces: Proceeds Of sale of fixed assets 20 53 250 Loans ... Minority chare capital subscribed 150 100 1,793 554 251 156 285 APPLICATION OF FUNOS
Purchase of flood assets 867 \$3 312 189 958 Loan repayments -8 ... 968 1,021 189 84 312 NETINCREASE/(DECREASE) IN 772 (412)72 (61) 96 REPRESENTED BY: 1,654 670 50 165 244 Increase in stock. Increase/(decrease) in debtors (increase)/decrease in treditors 13 (736) 10t (204) (47) (191) (23) (875) ncrease/(decrease) in liquid funds: Cash in hand and on deposit (86) (277) (39) 277 44 (42)152 Short term loans
Overdraft 77) (350)(81) (62)772 (412) 96 72 (6t)



SALES AREAS OPENED

Supercentre	Date of Opening	Selling Are Per Supercentre	Cumulative Total	Parking Spaces
Southempton, Portswood	March 1959	2,900	2,900**	12
Portsmouth	September 1970	5,000	. 7,900**	
Portsmouth extension	June 1971	4,300	12,200	
Worthing	June 1972	7,000	19,200	20
Boumemouth	December 1972	6,500	25,700°°	32
Mergate	August 1974	6,800	32,500 **	15
Hildenborough	June 1975	7,500	40,000	70
Famborough (Hants.)	January 1976	9,300	49,300 **	30
Carisbrooke (Isle of Wight)	Merch 1975	14,900 -	64,200	60
Dover	March 1976	ZB,500	80,700	7
Portsmouth, further extension	September 1976	3,900	84,600	-
Spandon, Oerby	October 1976	12,400	107,000	. 36
Morden	Oscember 1976	8,300	116,300	120
Banbury	December 1978	12,400	128,700	23
Southampton, Portswood extension	.December 1976	4,200	132,900**	_
Heckbridge	Meich1977	9,000	141,900	60
Acton	July 1977	11,500	153,400	60
Surbiton	December 1977	12,500°	165,900	35
Southampton, Milibrook	Jenuary 1978	30,200	196,100**	100
Leicester	March 1978	21,100	217,200	29
Menchester	March 1978	45,000°	262,200	200
Eastbourne	March 197B	18,500	278,700	87
Ashford (Kent)	April 1878	20,500	299,200	143
Dagenham	August 1978	16,900*	316,100	80
Hastings .	September 1978	19,900	336,000	68
Sarrow-in-Furness	October 1978	15,200	351,200	36
Gillingham (Kent)	November 1978	21,300	372,500	34
Poole -	January 1979	22,000°	394,500**	97
Cheltanham	· February 1979	18,500	413,000	45
Hildenborough, gerden centre eddition	April 1979	10,800*	423,600	

6. NOTES " Profit and Loss Accounts

> Cost of sales Cost of sales includes the following items >-57 weeks 53 weeks 62 weeks 52 weeks 52 weeks anded 25th ended 31st ended 29th ended 28th anded 27th 1977 1000 £000 £000 41 35 230 10 76 . 118

Channel I stands Supercentres-operated by 25.1 per cent. owned associated company.

October 1B75

fineluding outside gerden centre of approximately 18,900 square feet.

December 1872 12,500

30,900†

10

57

25 220 106 Remuneration of the Offsetters of the Company for the 52 week period ended 27th January 1979 amounted to £103,000 (after deducting amounts waived of £18,000) including, in respect of Offsetters appointed during that period, their remuneration for the period subsequent to their appointment. The aggregate remuneration for the 52 week period ended 27th January 1979 of all those persons who were Directors of the Company at that date amounted to £162,000 (after deducting amounts waived of £30,000).

The provision for taxation in respect of the 62 week period ended 27th January 1879 represented a provision for corporation tax payable for that period. No other corporation tax has been payable during the period covered by this report due to the incidence of stock appreciation relief and capital allowances. No provision for determed taxation has been provided in accordance with the Group's accounting policy for deferred taxation set out at paragraph 1 (vii) above. The emount by which the charge for taxation has been reduced by taxation reliefs ed taxation has been provided in as tollows

52 weeks . 53 weeks ended 25th ended 31st anded 29th ended 28th ended 27th January 1976 January 1977 January 1978 Januar 1979 1975 £000 £000 17 Reduction of tax charge ... 37 103 224 418

(iii) Extraordinary items
The extraordinary item in the 52 week period ended 29th January 1977 consisted of profits on sets of properties of £31,000 less related texation of £8,000; that in the 52 week period and £27th January 1978 consisted of a loss on sale of property calculated by reference to the revaluation incorporated in the adoption at 28th Jenuary 1978 of £70,000 less a explus deferred texation provision of £21,000.

No dividends have been declared in respect of any of the periods covered by this report, (iv)

52 weeks

(v) Earnings per share The calculation of earnings per share is based on the profit after texation and before extraordinary items for each period end on 19,587,000 ordinary shares, being the number of ordinary shares in issue immediately prior to each period end on 19,587,000 ordinary shares, being the number of ordinary shares in issue immediately prior to the Differ for Sale, including those issued as consideration for the acquisition of the minimity, shareholdings in

Balance Sheets Fixed assets At 27th January 1979 the Group's fixed assets comprised the following:— - Net hour Gross book velue Depreziation value FOOO £000 £000 £000 E000 330 335 Freehold properties ... *8*5 125 185 Short leasehold properties ... $\mathcal{L}_{p}^{(k)}$ 653 819 -1,854 297 2,151

The Group's freehold properties were valued on an open market basis as at 28th January 1978 by Leavers, Estate Agents and Valuers. ್ಲಿ ಬ್ಲಾರ್ಟ್ ಪ್ರವರ್ಷ ಪ್ರಕರ್ಣಿಸಿ ಈ (vii) Subsidiary companies and minority interests

At 27th January 1979 the Company's subsidiary companies and its interests them were:— - capital held by the B & D (Retail) Kent Limited

8 & D (Retail) Midlends Limited

8 & D (Retail) London Limited

8 & D (Retail) Southern Limited

8 & D (Retail) North Limited

8 & D (Retail) West Limited The Company's interest in subsidiary companies shown In paragraph'3 above is arrived at as follows :— Shares at Oirectors' valuation (being cost plus nominal value of bonus issues by 428 191 subsidiaries) Minority shareholdings acquired subsequent to 27th January 1979 (see below) .6t B

On 1st March 1879 the Company acquired with affect from 28th January 1978 the minority shareholding in the subsidiary companies in consideration for the issue of 190,810 ordinary shares of £1 seeth in the Companies being regarded by the Directors as having been issued at their par value.

VIII) LOWIST
At 27th January 1979 the Company had a loan from F. C. Thome & Company (1980) Limited of £500,000 repayable in 1884, bearing interest at 2 per cent, over National Westminstor Bank Limited's base rate and secured by way of second floating charges over the Group's assets.

Deferred taxation

The potential enforms of deferred taxation at current rates of taxation at 27th January 1979, none of which seen provided in the accounts, was se follows:—

£000 Taxation deterred by: .350 S11 Excass of capital allowances over corresponding depreciation charge 5 took relief Stock relief
Future tax relief available in respect of tosses
Potential taxable on gain deferred by roll-over relief 830

Share capital Movements in the Company's share capital between the date of incorporation and 27th January 1979, at a date in comprised ordinary shares of £1 each, have been as follows:— Issued and 23;920 100 950,000 480,000

1,000,000 504,C00 At 27th January 1979 vergents on reserves of the Group during the period covered by this report have been as 52 weeks 53 weeks 52 weeks 52 weeks ended ended ended, ended 25th January 31st January 29th January 28th Jenuary 52 weeks

1979 £000 7975 COOD £000-£000 252 Balance at beginning of period Retained profit for period Capitalisation issue 60 725 802 31 27 394 provision
Excess of par value of ordinary
shares of the Company issued
to acquire minority shareholdings in subsidiary companies over par value of
shares acquired 181 (82) ·(30) Balance at end at period (7) 60 725 1.017 252 The total reserves of £1,017,000 at 27th Jenuary 1978 include £299,000-

Greub 2030 110 78 Compan £030 ontracted for uthorised but not contracted for Contracted for 30 183 30 Under an agreement dated 25th January 1973 the Company had agreed to acquire, with effect 35th January 1979, the minority interests in this subsidiary agreement agreement agreement. Acquisition of minority inferests

Capital commitments
At 27th January 1973 the capital commitments were as follows:—

(a)

Fixed assets

issue of 190.610 ordinary shares of £1 each in the Company, such shares being regarded by the Directors as having been assed at their par-value.

nated company On 8th February 1979 the Group ecquired 25.1 paycent, of the issued share capital of Thomes has Limited, a company incorporated in Guernsey, for a cash consideration of £83,140. Yours faithfully.

PEAT; MARWICK, MITCHELL&CO BURNETT, SWAYNE & CD.

th Jenuiry 27th January

APPENDIX I

SCHEDULE OF PROPERTIES Leasehold by two leases to February 1989 and Merch 1990, subject to ean, reviews -In February 1982, and Merch 1983 uthampton, Portswood Road 7,100 12 13,200 6.500 32 13 ld to June 1999, subject to rent 10,000 6,800 ergate, Collega Road h, Tonbridge Hos 18,100 Lessahold to November 1831, subject to rest . 15,000 review in 1984 Carisbrooks, isle of Wight 14.900 Lessehold to December 1992, subject to rent 24,000 review in 1985 25,500 Leasehold to February 1996, subject to rent 25,000 miners in 1981, 1986 and (631 12,400 Leasehold to September 2001, subject to rent reviews in 1982, 1986, 1991 and 1996 9.300 120 Leasehold to September 1981, with option to renew to 1926 Les schold to October 2001, subject to rent 10,000 reviews in 1981, 1986, 1991 and 1996 12,400 .23 rent reviews in 1979 and 1984 9,000 11,500 Lessehold to Juno 1998, subject to rent reviews in 1982, 1987, 1992 and 1936 ton, Clerement Road 12,500 Leasehold to Occumber 1997, subject to rent reviews in 1982, 1937 and 1992 seashold to October 2003, subject to rest reviews in 1983, 1988, 1893 and 1988 30,200 100 leaster, Stackbed Road 21,100 29 Leasehold to December 2011, subject to rent reviews in 1982, 1987, 1992, 1997, 2002 and 2007 Leasehold to March 2089, subject to rent soriews in 1989, 2010, 2031, 2062 and 2073 16,500 Leasahold to January 1998, subject to rent Tevrews in 1983, 1988 and 1993 Lossehold to September 2006, subject to 6,000 rest review in 1992. 20,500 143 t 6.900 ndinonal agreement for lease to May 1939, subject to lental increase to 1939, subject to letial increase to Et 1,500 oct annum from 1981 and rank reviews in 1886 and 1393 stings, Rye Road skudes outside garden centre of 4,200 sq. (t.) Leasehold to June 2003, subject to rent 35,000 reviews in 1 983, 1988, 1983 and 1998 Leasehold to May 1938, subject to cent reviews in 1983, 1966 and 1893 Leasohold to January 1999, subject to rental increase to £10,000 per annum from 1981 to 1984 and rent reviews in £955 and £992 22,000 Lessehold to Oecember 2002, subject to rent reviews in 1982, 1998, 1890, 1994 and 1999 Learehold to September 2013, subject to rent aminus in 1983, 1968, 1993, 1998, 2003 and 2008 18,500 TOTAL CURRENT ANNUAL RENTAL TOTAL SELLING AREA OPENED 423,600 403.001 recritres to be opened Leasehold to March 2004, subject to newtows in 1984, 1989, 1994 and 1999 20,500 110 t to rent 25,000 Lessehold to March 1982, Jubject to rent Leasehold to May 1999, subject to rent reviews in 1983, 1985 and 1993 6,000 Agreement for a lease (subject to com-piction of building works by the lessor) to 2004, subject to rafti reviews every thousands. 15,600 KITY, Broad Oak Trading Estate TOTAL SELLING AREA TO BE OPENED

48.800

TOTAL INITIAL ANNUAL RENTAL

86.500



24

70

94

252

94

, (7)

94 60

24

153

182 725

504

191

695 1,017

1,712

APPENDIX II

PROFIT FORECAST

The following ere the principal assumptions which have been adopted in preparing the profit forecast of the Company and its subsidiaries ("B & O") for the 52 week period ending 25th Jenuary 1980:—

(a) Sales for the lorecast period will as elesuit of inflation, be made at priors some 9 per cent, higher than Those obtained in the 52 week period ended 27th January 1979 and with not be advartely affected by any prolonged period of exceptional weather conditions.

(b) Sales for the forecast period will be at gross profit margins approximately equal to those achieved in the 52 week period ended 27th January 1970.

(c) The inclusion of the forecast results of the new Supercentres at Herne Bay. Grays and Canterbury and the extension to that at Barrow, which have been contracted for and will, it is assumed, commence trading on their amicipated opening dates, and that the opening of further Supercentres, will have no aggregate detrimental effect on the torocast profet.

(d) The operations of B & O will not be dissupted through industrial disputes either within B & O or

There will be no material change in the economic climate currently being expenenced, nor will the operations of 8 & 0 be adversely affected by future Government action in the United Kingdom.

(f) There will be no significant acquisitions or disposals of assets during the forecast period.

ren de _{latera}

The following are copies of reports to the Oirectors of the Company relating to the profit forecast of B & O for the 52 week period ending 26th January 1980:—

(o) Letter from the Joint Reporting Accountants dated 17th May 1979:-

The Directors, 8 & O (Retail) Limited. Third Avenue. Third Avenue, Millibrook Trading Estate, Southampton SO9 1RE.

17th May 1979

Contract of the same of

We have reviewed the accounting policies and calculations for the profit forecast (for which the Directors are solely responsible) of 9 & O (Retail) Limited and its subsidiance (including its share of the profit of its associated company) for the 52 week period ending 26th January 1980 contained in the Offer for Sale dated 17th May 1979.

In our opinion the profit forecast, so far as the accounting policies and calculations are concerned, has been properly compiled on the tooling of the astumptions made and is presented on a basis consistent with the accounting policies normally adopted by the Group.

BURNETT, SWAYNE & CO. Chartered Accountents Chartered Accountents

Yours faithfully

(b) Letter from Kleinwort, Benson Limited dated 17th May 1979:-

The Doctors. B & O (Retail) Limited, Millbrook Trading Estate, Southampton SOR 450

17th May 1979

We have discussed with you and with Burnett, Swayne & Co. and Phal, Merwisk, Mitchell & Co. the profit torocast at B & O (Retail) Limited and its subsidiance, (including its share of the profit of its associated company) for the 52 week period ending 26th January 1980, together with the essumptions on which it is based, set out in the Offer for Sale dated 17th Moy 1979. We consider that the profit forecast (for which the Directors are solely responsible) has been made after due and careful enquiry.

for KLEINWORT, BENSON LIMITED J. A. Caldecon

APPENDIX III

STATUTORY AND GENERAL INFORMATION

The Company was incorporated in England as a private company on 26th February 1870 with an sutherised share capital of £100 divided anto 100 ordinary shares of £1 each, of which 80 ordinary shares were issued and fully paid, On 28th November 1972 the authorised share capital was increased to £50,000 and en the same date 23,920 ordinary shares of £1 each were altotted credited as fully paid by way of capitalsation of reserves to the holders of ordinary shares in the proportion of 299 pew ordinary shares for every 1 ordinary share then held.

On 29th December 1978 the authorised share capital of the Company was increased to £1,000,000 and on the same date 480,000 ordinary shares of £1 each were allohed credited as fully paid by way of capitalisation of reserves to the holders of ordinary shares in the proportion of 20 new ordinary shares for every 1 ordinary share

On 1st March 1979 a total of 190,810 ordinary shares of the Company were issued credited as fully paid asideration for the acquisition by the Company of the mingrity shareholdings in its subsidiaries as described

Accordingly, instrediately prior to 17th May 1979, the authorised share capital of the Company was £1,000,000 divided into 1,000,000 ordinary shares of £1 aach, of which 694,810 ordinary shares were issued and fully paid. By or pursuant to resolutions passed at an Extraordinary General Meeting of the Company on 17th May 1979 (a) the authorised share capital of the Company was increased to £1,200,000 and sub-divided into 24,000,000 ordinary shares of 50 each, (b) £284,240, being part of the sum standing to the credit of the Company entered as capitalised and applied in paying up 5,684,500 ordinary shares of 50 each, which were allotted credited as fully paid to the holders of existing ordinary shares in the proportion (ignoring fractions) of 8,new ordinary shares for every 22 ordinary shares then held, and (c) new Articles of Association were adopted and the Company became a public company.

Articles of Association
 The new Articles of Association of the Company, referred to above, contain provisions (inter size) to the

On a show of hands every member who is present in person shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every 5 pence in nominal amount of the shares of which he is the holder.

(i) A Director shall not be required to hold any shares of the Company by way of qualification. A Director who is not a member of the Company shall nevertheless be entitled to attend and speak at General Meerings.

(ii) The Directors may repay to any Director all such reasonable expenses as he may incur in attending and returning from meetings of the Directors or of any committee of the Directors or General Meetings or otherwise in or about the business of the Company.

(iii) The ordinary remaneration of the Directors shall from time to time be determined by on ordinary resolution afthe Company and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall hold affice for part only of the period in respect of which such remaneration is payable shall be entitled only to rank in such division for a proportion of the remuneration related to the period during which he held office.

(iv) The Directors may from time to time eppoint one or mere of their body to be the holder of any executive office (including, where considered appropriate, the office of Chairman or Deputy Chairman), on such terms and tor such period as they may determine and, without prejudice to the terms of any comment entered into in any particular case, may at any time revoke any such appointment. (v) Any Director who holds any executive office (including, for this purpose, the office of Chairman or Deputy Chairman whether or not such office is held in an executive capacity) or who serves on any committee of whe otherwise performs services which, in the opinion of the Directors, are outside the scope of the ordinary direct of a Director, may be paid such extra remuneration by way of salary, commission or etherwise as the Directors may determine.

(vi) A Director may be a party to or in any way interested in any contract or amangement or transaction to which the Company is a party or in which the Company is in any way interested and be may hold and be remunerated in respect of any office or place of profit (other than the office of Auditor of the Company or any subsidiary thereof) under the Company or any other company in which the Company is in any way interested, and he (or any firm of which he is a member) may act in a professional capacity for the Company or any such other company and be remunerated therefor and in any such ease as eforesaid (save as otherwise agreed) he may retain for his own absolute use and benefit all profits and edvantages accruing to him thereunder or in consequence thereof.

(vii) The statutory provisions concerning the retirement of Directors on reaching a specified age or requiring any special formathy in connection with the appointment of any Director over a specified age do not apply to the Company.

(viii) Subject to certain exceptions o Director shell not vota in respect of any contract or errangement eny other proposal whetspewer in which he has any material interest otherwise than by writte of his interest shares or debentures or other securities of or otherwise in or through the Company. A Director shall not be sound in the quorum at a mosting in relation to any resolution on which ha is debarred from voting.

(ix) Where proposals are under consideration concerning the appointment (including fixing at varying the terms of appointment) of two or more directors to offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately and in such case each of the Directors concerned (if not otherwise debarred from voling) shall be smilled to vote (and be counted in the quorum) in respect of each resolution except their concerning his own

The Directors shall restrict the borrowings of the Company end exercise all voting and either rights or powers of control exercisable by the Company in relation to its subsidiary companies (if any) so as to secure (so fer, as regards subsidiaries, he by such exercise they can secura) that the aggregate amount for the time being remaining outstanding of all money borrowed by the Group (which expression means and includes the Company and his subsidiaries for the time being) and for the time being owing to persons outside the Group shall not at any time without the previous sanction of an ordinary resolution at the Company exceed an emount equal to three times the Adjusted Capital and Reserves, as defined in the Articles of Association.

3. Subsidiary Companies

The subsidiary companies, none of the shares of which are listed on a Stock Exchange and which are all ed by the Company, are as follows:-

	•									Date of incorporation
	88	O (Retail)	Kent Limited ("Kent")			••				28th February 1874
Ċ	84	O (Retall)	Midlands Limited ("Midla	inds")	••			••		16th August 1979
•	8.4	Q (Retail)	London Limited ("London	n 💙		••				16th August 197B
			Southern Limited ("South							7th December 1976
	R &	O (Retail)	North Limited ("North")			••				21st February 1977
			West Limited ("West")			••	••	••		25th August 1978
	B &	O (Guerra	ey) Limited ("B & D Gues	msey")		• • •				8th February 1979
	A 11 + b		or companies are incremora	ted in E	nolano	and c	алу ог	the b	einess	of DIV retailers, with the
	ALL COM	is subsidie	uernsey, which is a holding	comp	iny Inc	OLDOLS	ted in	Guerry	ey.	
~	MINI O	.,			-				3	

4. Directors' end Other Interests The interests of the Directors in the share capital of the Company appearing in the register maintained under provisions of the Companies Act 1967 immediately ofter the Offer for Sale (save in respect of any shares which y be allocated to eny of the Directors other than those who are vendors under this Offer for Sale) will be as

•		-	•						٠.		Ordinary share of 5p each
D. A. Quayle		٠				 	••				4,003,093
				٠		 		••			1,341,393
A. B. Clowet						 	••				799,075
J. R. Cooper	··-		•••			 					98,317
						 ·			••		119,633
R. R. E. Hemkoway	••	••	••			••					1,978,457
J. C. Hodkinson	•• ·				•	 					1.136.91B
	· ·		••			 		••	••		528,145
						 					1,295,252
C. P. Gervaise-Brazie		••	••			 					405,423
J. E. Morris	•		-55			 					10,00D
All the above inforest	ps wi		enefic	ially h	eld.					_	

In addition, J. A. Kennedy will be non-beneficially interested as a trustee of the Company's Employee Benefit Trust, in 710,181 ordinary shares of 5p each (representing approximately 3.6 per cant. of the issued share

Following this Offer (or Sale, F. C. Thome & Company (1960) Limited will hold 2,103,819 ordinary shores representing approximately 10.7 per cant of the issued share capital of the Company.

Save as disclosed above, the Directors are not aware of any other shareholdings which will, immediately after completion of this Offer for Sale, represent five per cent. or more of the issued share capital of the Company.

5. Service Agreements

On 25th January 1879 the executive Directors entered into the following service agreements with the Curient annual remuneration (reviewable and

		Basic salary	Performance bonuses
D. A. Ouayle	••	34,000	go entitlement
A. J. Foster		20,150	related to the achievement of 8 & 0 budget—maximum payable £14.000.
A. B. Clowes		13,800	related to schievement of North regional budget maximum payable £5,000.
J. R. Cooper		13,800	related to achievement of West regional budget— maximum payable E4.000.
A. S. Greensides	••	13,900	related to 9 & Q gross margin achievement; also a entitled to participate in staff profit sharing timus.
R. R. E. Nammway		15,950	- no entilement
J. C. Hodkinson	•-	17,000	related to achievement of Southern regional budget, including London and Kern—maximum payable £12,000.
J. A. Kennedy		. 17.500	payable at the discretion of the Chairman.
J. C. J. Tumer	••	15,250	related to achievement of Midlands regional budget-

All executive Directors, Oxcept D. A. Quavie, A. S. Greensides and J. A. Kennedy, are, in addition, entitled to site finding boouses, payable at varying rates based on square footage of selling areas found.

All the above service agreements are determinable by the Company subject to giving 24 months' notice. It is assimated that, under existing anengements, the aggregate of Directors' empluments for the 52 week of ending 26th January 1980 will be £215,000 including, on the basis of the profit forecast, estimated per-ance bonuses of £29,000 and estimated site finding bonuses of £2,000.

6. Offer for Sale Agreement

Under contract (r) below, Kleinwort, Bonson Limited has agreed, subject to the Council of The Stock Exchange admining the ordinary shales of the Company to the Official List not leter than 23rd May 1979, to purchase from D. A. Quayle, A. J. Foster, A. 9. Clowes, A. S. Greensides, R. R. E. Herninway, P. A. Herninway, J. C. Hodkinson, J. P. Hodkinson, J. A. Kennedy, J. C. J. Tumer, C. P. Gersel-Brazier and F. C. Thome & Company (1960) Limited ("the Vandors" I 4 895 250 ordinary shares of 5p each of the Company at 58.8p per share and to offer main for sale to the outbin. Under this contract Klainwort. Season Limited with pay underwriting commissions of 1½ per cent, on the Offer for Sale price, and a tea to the Brokers. The Company will pay a fee to Kloinwoll. Benzen Limited and will pay all other expanses of and incidental to this Offer for Sale, such fee and expanses being usumstand to omourn to £245,000 excluding value added tax.

The following contracts, not being contracts in the ordinary course of business, have been entered into within the two years immediately preceding the date hereof and are, or may be, material:---

(e) Dated 2nd December 1977, between The Law Land Company Limited (1) and the Company (2) being a Conveyance to the Company of land and buildings at Third Avenue, Millbrook Trading Estate, Southampton for a consideration of £295,000.

(b) Dated 19th December 1977, between John Willment (Ashford) Limited (1), Matrice Charles Withall (2) and the Company (3) being a contract for the assignment to the Company of Leases, both argining on 29th Singlember 2008, of property at Beaver Road, Ashlord, at a premium of £125,000 and with a current annual rental of £6,000.

Dated 1st February 1978, between the Company (1) and A. G. Meddings & Co. Limited (2) when A G. Moddings & Co. Limited agreed to carry our works upon property at the Odeon Cinema, Heath-way, Daganham, Essex, in consideration of the sunt of £67,107, subject to adjustment.

Dated 18th February 1979, between the Company (1) and Wiltshires Limited (2) whereby Wilshires Limited agreed to carry out works upon property at Watting Street, Gillingham, Kent in consideration of the sum of £91,952, subject to adjustment, the effect of which is expected to be minor.

(e) Dated 17th August 1978, between the Company (1) and Lloyds Bank Limited (2) being a Debenture creating a fixed charge on all the freshold and leasehold properties, goodwill and uncalled aspital of the Company and a floating charge over the undertaking and all other property and assets of the Company securing all moneys and liabilities due by the Company to Lloyds 9 ank Limited. (f) Dated 17th August 1978, between Lloyds Bank Limited (1) and Kent, London, Midlands, Southern and Nenh respectively (2) being five Debenfures creating fixed charges on all the freehold and leasehold properties, goodwill and uncalled capital of such companies, and floating charges over the undertaking and all other property and assets of euch companies securing all monies and liabilines due by such companies to Lloyds Bank Limited. A similar Debentura was assecuted by West dated 14th May 1979.

(g) Deted 17th August 1979, being five Guarantoes between Lloyds Bank Limited (1) and Kent, Landon, Midlands, Southern and North respectively (2) guaranteeing payment on damand of all monios due by the Company to Lloyds Bank Limited. A similar Guarantee was executed by West dated 14th May 1979.

(h) Dated 10th October 1979, batween the Company (1) and London and Menchester Assurance Company Limited (2) being a Transfer to London and Maschester Assurance Company Limited of land and buildings at Third Avenue, Millbrook Trading Estate, Southampton (or a consideration of consideration).

Dated 10th October 1978, between London and Menchester Assurance Company Limited (1) end the Company (2) being a Lease of property of Third Avenue, Millbrook Trading Estato, Southampton for 25 years from 10th October 1978 at the annual rental of £40,000, reviewable every five years.

Dated 16th October 1978, between the Company (1) and D. A. Cook (Builders) Limited (2) whereby D. A. Cook (Builders) Limited agreed to carry out works upon property at 27 Bath Road. Chehanham, Gloucostershira in consideration of the sem of £60,100, subject to adjustment, the

(k) Dated 25th January 1979, between the Company (1) and N. M. Pugh and J. A. Kennedy (2) being a Trust Deed establishing a trust (or the purchase of shares of the Company to be held for the benefit of

Dated 25th January 1979, between the persons named below ("the Subsidiary Vendors") (1) and the Company (2) whereby the Subsidiary Vendors agreed to sell to the Company and the Company. The gonsideration for such seles received by the Subsidiary Vendors was made up at ordinary shares of

Name of Subsidiary	Vend	of	Subsidiary company	Number of st	pares sold	Ordinary shares of the Company issued as	
				Ordinary	Defented	consideration	
R. R. E. Heminway	••		Kent .	38,867	110,000	69,537 .	
J. C. J. Turner	••	••	Midlends	56,800		36,688	
A. J. Foster	••		London	30,000	S,000	38,965	
J. C. Hodkinson			Southern	20,500	_	29,168	
A. B. Clowes	••	• • •	North	50	500	12,981	
J. R. Cooper			West	2,000	_	2,77B	
A. S. Greensides		••	West	500	· · -	692	
						190,910	

(m) Dated 25th January 1879, being the Service Agree

(n) Dated 9th February 1979, between B & O Guernsey (1) and D. A. Quayle, R. W. Block, C. P. Gervaise-Bianer and Guernsey Gas Light Company Limited (2) whereby B & O Guernsey acquired 377 shares of Thomas Supplies Limited ("Thomas") representing 25.1 per cent. of the Issued share capital. The

						Numi	ber of shere	s sold	Consideration
		•							£
D. A. Quaylo.			••		••		340		75,000
R. W. Block			••			 •	12		2,640
C. P. Gervaise-Br	əzict						В		1,32D
Guernsey Gas Light Company Limited							1B		4,130
							_		
							377 ·		83,140

(o) Dated 12th March 1879, between the Company (1) and Denne (Builders) Limited (2) who Denne (Builders) Limited agreed to carry out works upon property at Herne Bay Wast Indu Estate, Kant, in consideration of the sum of

(p) Deted 28th March 1979, between Thornes (1) and the Company (2) whereby the Company agreed to continue to provide buying and accountancy services for a minimum period of three years for Thornes of IY Supercentre at 9t. Peter Port, Guernsey, and for the DIY Supercentre of St. John, Jersey of Thornes' subsidiary, Jehn Le Suaur (Homes and Gordens) Limhed. The Company will receive an annual fee equal to 2 per cent of the annual turnover of Thornes and such subsidiary.

(q) Dered 16th May 1979, between F. C. Thome & Company (1960) Limited ("F. C. Thome") (1), the Company (2) and Miclands, Kant, Londen, Nonh. Southern, and Wast ("The Sureties") (3) being a Debenture whereby F. C. Thome has agreed to advance to the Company a further sum of £250,000 in addition to the £500,000 already advanced by it, all such sums being repayable on 18th Fabruary 1984 and sacured by a second floating charge over all the undertaking and propeny of the Company and the Sureties. By the said Debenture the Sureties jointly and severally guaranteed to F. C. Thome payment of the principal manifes and interest becoming due under such Debenture. This Debenture is its substitution for provious supposed to the principal manifest and entered to be on 12th Agust 1875. in substruction for previous errangements entered into on 17th August 1878.

Dated 17th May 1979, between the Orrectors (1), the Vendors (2), the Company (3) and Kleinwort, 9enson Limited (4) being the contact referred to in paragraph 6 above for the purchase by Kleinwort, 9anson Limited from the Vendors of a total of 4,895,250 ardinary shares of 5p each of the Company.

(s) Dated 17th May 1979, between the Vondors (1). Kleinwon, Benson Limited (2) and the Compeny, Kent, Midlands, London, Southern. North, West and 9 & O Guernsey ("the Group Compenies") (3) whereby the Vendors have given to Kleinwort Benson Limited and to each at the Group Companies the indemnities referred to in paragraph 9 below.

The Directors have been advised that following the complation of this Offar for Sele the Company will not lose company within the meaning of the Income and Corporation Taxes Act 1970.

Citerances under Schedule 16 to the Finance Act 1972 have been obtained for oil relevant periods ended largers 1970.

27th January 1979.

Under contract (st above, indemnities have been given by the Vendors to Kleinwort, Benson Limited and to each of the Group Companies in respect at any deplation of or reduction in the value of the assets of the Group Compenies by reason at capital transfer tax and other taxation.

(a) The Company was incorporated in England under the Companies Acts 1948 to 1967 an 25th February I 970 and its registered number is 973387. Kleinwort. Senson Limited is registered in England with number 551 334 and its registered office is at 20 Fenchurch Street, London EC3P 3DB.

(b) Save as disclosed in this Offer for Sale:-

(i) no share or loan capital of the Company or of eny of its subsidiaries has been issued within the two years immediately preceding the date of this Differ for Sale or is now proposed to be issued, fully or partly paid, either for cash or for e consideration either than cash.

no commissions, discounts, brokerages or other special terms have been granted by the Company or any of its subsidiance within the said two years in connection with the issue or sale of any shall or loan capital of such companies; and

(iii) no shara or Inan capital of the Company or of ony of its subsidiaries is under option or agreed conditionally or unconditionally to be pin under option.

(c) No material issue of shares of the Company (other than consequent upon an offer to shareholders pro rate to thou existing shareholdings) will be made within one year of the date of this Offer for Safe without prior ep

(d) Following this Diffar for Sale 4,419,000 ordinary shares of 5p each of the Company will remain unissued but no issue of each shares which would effectively elter the control of the Company or the nature of its business will be made without prior approval of the Company in general meeting. (e) Save as disclosed herein, no Director of the Company has, or has had within two years before the date at this Offer for Sale, any interest in any assets which have been, or which are proposed to be, acquired at disposed of by at leased to the Company or any of its subdictates. No contract or arrange-

mant subsets, or subsisted within two years before the date of this Offer for Sale; in which a Director of the Company is or was materially interested and which a or was significant in relation to the business of the Company and its subsidiaries taken as a whole. (f) Neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration which, in the aplnion of the Directors, is of meterial importance, and no litigation or claim of meterial importance is known to the Directors to be panding or threatened against the Company or any of its subsidiaries.

No amount is required for any of the matters referred to in paragraph 4 at the Fourth Schedule to the Companies Act 1948. No part of the consideration in respect of the shares to which this Offer for

Salo relates will be received by the Company. (h) Burnett, Swayne & Ce. and Peat, Marwick, Mitchell & Co. have given and have not withdrawn their written consents to the issue of this Offer for Salo with the inclusion of their joint report and joint letter and the salerences thereto in the torm and context in which each is included. Leavers have given and have not withdrawn their written consent to the issue of this Offer for Sala with the on therein of the references to their valuations in the form and context in which

The documents attached to the copy of this Offer for Sale delivered to the Registrar of Comparing istration were the written consents reterred to in (h) above, copies of the forms of applicopies of the contracts referred to in paragraph 7 above and the statement of Burnett, Swayne and Peat, Marwick, Mintrell & Co. setting out the adjustments made in entiring at the figures contributed to the copy of ut their report (as set out therein) and giving the reasons therefor.

Copies at the following documents may be inspected at the offices of Linkleters & Peines, Barrington use, 59-67 Gresham Street, London EC2V 7JA during usual business hours on any weekday (Saturdays and blic holidays excepted) for a penod of fourteen days following the date of this Offer for Sale:—

(c) the Memorandum and Articles of Association of the Company

(b) the audited committated accounts of the Company and its subsidiaries for the two financial periods ended 28th January 1878 and 27th Jenuary 1979;

(e) the Accountants' Report, together with the statement setting out the adjustments mede in arriving at the tigures contained in the Report;

(d) the material contracts referred to in paragraph 7 above;

(e) the written consepts releated to in paragraph 9 (h) above; and

(1) the valuations of property carried out by Leavers, talened to in this Offer for Sale.

Dated 17th May 1979 .

PROCEDURE FOR APPLICATION

Klaimworf, Banson Limited, New Issue Department (Ref. B & O), 10 Rood Lane, London EC3M 9BB will be applications which must be for a nimimum of 200 ordinary shares or for the following multiples of shares:—

ne for not more than t.063 shares: in multiples of 200 shares. Applications for over 1,000 shares and not more than 3,000 shares: in multiples of 500 shares.

ns for over 3,000 shares and not more than 10,000 shares: in multiples of 1,000 shares. Applications for over 10,000 shares and not more than 50,000 shares; in multiples of 5,000 shares. Applications for over 50,000 shares; in multiples of 10,000 shares.

Application must be made an the accompanying Application Form and Jonverded to Kleinwort, Benson Limited, New Issue Department (Ref. 9 & 0), 10 Rood Lane, London EC3M BBB, rogether with a stering cheque or bankers draft for the full amount payable on application so os to be received not later than 10 a.m. an Thursday, 24th May 1979.

Each application must be accompanied by a separate starling chaque, or bankers diaft, which must be drawn on a branch, in England, Scorland, Wates, the Channel Islands or the Isla of Man, of a bank which is either a member of the London or Scottish Cleaning Houses or which has arranged for its chaques, and bankers drafts, to be cleared through the facilities provided by the members of those Cleaning Houses (and bear the appropriation sorting code number in the rop right hand corner). Cheques and bankers drafts must be mado payablo to "Riestwort, Bemson Limited" and be crossed "Not Negotisable". The right is reserved to present all cheques and bankers drafts for payment on receipt and to reject an, application, in particular multiple or suspected multiple applications, and to return Letters of Acceptance and surplus application mones pending clearance of the cheques and bankers drafts of successful application. Due completion on delivery of an Application Form accompanied by a cheque or bankers draft will constitute an underraking that such cheque or bankers draft will be honoured on that presentation; attention is drawn to the declaration in the Application Form to that effect.

Referential Company for UP 10.0.

Preferential consideration will be given to applications received from employees of the Company for up to a maximum of 1D per cant, of the ordinary shares now being offered for sale. Such applications must be for multiples of 100 shares, with a minimum of 100 shares, and be made on the park. Applications made available to

Acceptance of applications will be conditional on the Council of The Stock Exchange admitting the whole of the issued share capital of the Company to the Official List not later than 23rd May 1979. Monies collected in respect of applications will be returned if such condition is not satisfied by that date and in the meantime will be returned in a separato account. If any applications are not accepted or are accepted for fewer shares than the number applied for, the application monies or the balance Theroof, as the case may be, will be returned through the post at the risk of the applicants.

Arrangements have been made for the shares now effered for sale to be registered by the Company free of stamp duty in the names of the successful applicants or persons in whose tayour Letters of Acceptance have been renounced, growded that, in cases of renunciation, Letters of Acceptance (duty compliated in accordance with the instructions contained therain) are todged at: Kternwort, Benson Limited, New Issue Department, 20 Fenchurch Street, Landon EC3P 3DB for regishation not jeter than 3 p.m. on 11th July 1979. Share certificates will be posted an 6th August 1979 to the first named registered holders or, in any case where the box markedD all the fact of page 2 of the Letter of Acceptance has been duly completed and the Letter of Acceptance has been duly completed and the Letter of Acceptance duly lodged not later than 1st August 1979 in accordance with the instructions contained therein, to the agent specified in the box.

Copies at this Offer for Sale with Application Forms may be obtained from:-

Kfeinwort, Benson Limited, 10 Reed Lane, London EC3M 898

Kleinwort, 9 anson Umited. Tricorn House, Hagley Rood, Five Ways, Birmingham 816 8TP,

Kloinwart, 9 anson Limfted, 78 BQ Goorge Street, Edinburgh EH2 38 U.

Kleinwort, Benson (Chennel Islanda) Limited, P.O. Box 76, Church Street, Kleinwort, Benson (Guernsey) Limited. P.D. 9ox 44, The Grange, St. Peter Port,

Hoare Gavett Umitod. Atlas Heuse, 1 King Street, Lenden EC2V BDU.

d at the registered effice of the Company, Third Avanue, Milibreek Trading Estata, Southempton

---- APPLICATION FORM ----

THE APPLICATION LIST FOR THE ORDINARY SHAKES NOW OFFERED FOR SALE WILL OPEN AT 10 A.M. ON THURSDAY, 24TH MAY 1979 AND MAY BE CLOSED AT ANY TIME THEREAFTER,

B&Q (Retail) Limited Offer for Sale

Kleinwort, Benson Limited of 4,895,250 ordinary shares of 5p each at 60p per share psyable in full on application

TO: KLEINWORT, BENSON LIMITED. ** Amount enclosed at 60p per share *Number of shares applied for

Applications must be for a minimum of 200 shares or o multiple thereof not exceeding 1,000 shares, thereafter in multiples of 500 shares not exceeding 3,000 shares, thereafter in multiples of 1,000 shares not exceeding 3,000 shares, thereafter in multiples of 18,000 shares.

I/Wa onclosa a cheque/bankers draft for the above-mentioned sum **\footnote\), being the full amount payable on application at 60p per share for the above-stated number *\footnote\) of ardinary shares of 5 peach in 9 & 0 (Retail) binned ("the Company") and I/we offer to purchase that number of shares. I/We hereby undartal and agree to accept the same, or any lesser number of shares in respect of which this *Application may be accepted, upon the terms of your Dilat for Sala dated 17th May 1979 and subject to the Memorandum and Articles of Association of the Company I/We hereby euthorise you to send a renounceable Letter of Acceptance in respect of the said shares and/or a chause for any monies returnable to me/tis by ordinary first class post at my/our risk to the address first given below and to

a renounceable Letter of Acceptance in respect of the said states and/or a bringly first promote returnable to me/lus by ordinary fust class post at my/our risk to the address first given below and to procure my/our name(s) to be placed on the Registar of Members of the Company as helder(e) of the said shares so far as they have not been effectively renounced. I/We understand that due completion and delivery of this Application Form, accompanied by a sheque/bankers draft, constitutes en undertaking that such cheque/benkers draft will be honoured

tMPORTANT:—To comply with the provisions of the Exchange Control Act 1947*, the applicant(e) must make the declaration contained in the following paragraph, or, if unable to do so, must delete such paragraph and arrange for this applicatice to be fodged through en Authorised Depositary* or an Approved Agent to the Republic of Ireland*. No application can be considered unless this condition is fulfilled.

I/We declare that I/We am/ere not resident outside the Scheduled Territories t and am/ere not equinng the shares as the nominee(s) of any person(s) resident outside those Territories.

(1) Signature PLEASE USE BLDCX CAPITALS DR TYP	E FOR NAMES AND ADDR	Dated	Moy 15
		← Forename(s ← Surnama an (Mr., Mrs., r ← Address (in	d designation
	Postal Code		

Address (in full)...

neme(s) (in full)_ (Mr., Mrs., Miss or Title)

Please Pin Top Lett Corner of Chaque Here.

All joint applicants must sign and give names and addresses. In the case of a corporation this form should be signed by a duly authorised officer who should state This Application Form when completed must be forwarded to Klainwort, Benson Limited, New Issue Oppartment (Ref. B & O), 10 Read Lane, London EC3M 688, together with a cheque/benkem draft for the full amount payable, so as to be received not later than 19 a.m. on Thursdey, 24th May 1979.

A separate chaque or bankors drafts, which must accompany each Application Form.

Cheques and bankers drafts, which must be drawn in sterling on a branch in England,
Scotland, Wales, the Channel Islands or the Isle of Man of a bank which is either a
member of the London or Scottish Clearing Houses or which has arranged for its
cheques, and bankers drafts, to be cleared through the facilities provided by the
members of those Clearing Houses (and bear the appropriate sorting code number in the chequez, and between trains, to be cleared through the tactities provided to members of those Clearing Houses (end bear the appropriate Sorting code number top right hand corner), must be made payable to "Kleinwort, Benson Limited crossed "Not Negotiable" and must marisent payment in full at the application. Respectively to the considered unless these couditions are fulfilled. All the bankern drafts are tiable to be presented for payment on receipt.

NO RECEIPT WILL BE ISSUED FOR THE PAYMENT ON APPLICATION, but on acknowledged the provided through the notified to enume or the site of the specification with the foregreen the second of the payment of the payme

will be forwarded through the post to due course, at the risk of the application, but an assistance for all the shares applied for, or by a fully paid Letter of Acceptance for all the shares applied for, or by a fully paid Letter of Acceptance for the shares applied for and accepted and a cheque for any surplus application money, or by the return through the post of the application money.

Exchange Control Act 1947

Authorised Depositaries are listed in the current assured line Benk of England's Notice EC1 and Include most banks and stockbrokers in, and solicitors practising in, the United Kingdom, the Channel Islands or the Isla of An Approved Agant is the Republic of Ireland is defined in the current leave of the Bank of England's Notice ECTO as a back in the Republic of Ireland, a member in the Republic of Ireland of The Stock Exchange or a stacking pectaging in the Republic of Ireland.

The Scheduled Territories at present comprise the United Kingdom, the Channel Islands, the Isle of Man, the Republic of Presidence of Sharins.

Compulsory Latin

BY MALCOLM RUTHERFORD

DR DAVID OWEN when he was later. But if you want to learn famous memo round the Foreign Office forbidding the use of Latin tags. You can tell that he expected to succeed Mr. Denis school? Healey as chairman of the interim committee of the International Monetary Fund, the chequer replied "no" because he understood that the office was ad hominem and not ad patriam.

Biased

The Tories have also started messing around again with education. One hopes that they will go beyond social engineering and changing the names of schools to the area that really matters: namely, the syllabus. It may be too ambitious a task for Mrs. Thatcher to restore compulsory Latin by the end of her first term of office, for by pow there would prohably he a problem in finding the teachers. But at least it is an sim for the

Latin is perhapa the one sub-ject—certainly on the arts side -that you need to go to school in order to learn. It is true that it would he perfectly possible to teach oneself, though in practice that seldom happens. Practically all other subjects can be picked up as you go along. This country is full of people who learned no foreign language at in an education syst schools, yet who have picked up steadily expanding. a perfectly adequate knowledge since. It is also full of people who spent a great deal of time at school learning foreign languages, yet who still cannot

As for history, my own ex-perience of the teaching of this subject in English schools is that it is so hiased, so anti-Catholic and so anti-Europe that I would prefer my children to have none of it, st least until they are of an sge to make their own judgements. Indeed it is the teaching of English history that must be responsible for a large part of Britlsh susplcion of the European Economic Com- coming in the last two years.

There is also a curious cult developed that is known as economics. Yet everyone knows that the best way of picking up s working knowledge in this field is to have a look at the reports of the Bundesbank or the Bank of England

Foreign Secretary once sent a about the real world, what hetter way than to follow the debate as it unfolds? It has nothing to do with the school room. How many people in the the Tories are back because City-or in the Treasury, come Letin is in again. Asked whether to that-learned economics at

Deplorable

Latin, by contrast, is far from heing simply s dead language. It is the very fact that it is dead that is its principal virtue. It is a system; learning it therefore teaches people what B system means. It also teaches grammar, syntax, and aven spelling. In English schools these seem to be taught in no other way. Latin is thus the key to everything else. It teaches people to learn how to think and to learn how to learn, which is surely the main purpose of education.

Yet the figures are deplorable. The number of "A" level passes in Latin in England and Wales declined from 5,911 in the summer of 1966 to 2,487 in the summer of 1976. There is no doubt that the decline would ha even worse if one traced the figures back further. Indeed, the figures are worse than they look even on the hasis of the 1966-76 comparison, for in the same period the number of "A" level passes in all subjects rose from 261,496 to 362,582. Latin thus had a ameller and smaller place ip an education system that was

Bonus

There is some mild comfort to be derived from the fact that the number of "A" level passes in history seems to have peaked at 27,141 in 1972, though the decline has been only slight. But there is no comfort at all to be derived from what has been happening in the field of economics. The number of "A" level passes here more than doubled to 35,292 in the ten year period under review, with some of the sharpest increases

These are serious matters For if people do not learn Latin, how will they be equipped to learn anything else — not to learn anything else in particular, but just to learn? It is time that the Tories did something about it. Not the least bonus from a radical return to the past Quarterly Bulletin. If necessary, would be that people would lity of his sire, Nasrullah, possibly the best juvenile you can look at the text books again be able to write English. almost immediately made his them all, Blushing Groom.

terrorism hit these shores in this fact of life more than any non-capital that he personally death penalty to come back to the early 1970s. Now it has other that will determine the favoured moving forward to disfigure and distort the stage with the name of the death penalty to come back to stage with the name of the death penalty to come back to be stage with the name of the death penalty to come back to be stage with the name of the death penalty to come back to be stage with the name of the death penalty to come back to be stage with the name of the death penalty to come back to be stage with the name of the death penalty to come back to be stage with the name of the death penalty to come back to be staged with the name of the death penalty to come back stage with the new Government's commitment to allow a prospect. free vote on the issue in a forthcoming debate, although the Home Secretary has firmly ruled out a national referendum on the hoary topic.

In 1965 the effect of centuries of the same mental outlook towards penal questions generally and the death penalty in particular was finally reversed. The British have shown themselves peculiarly averse to overturning established institutions and practices even in the face of contemporary attitudes. They accept the traditional verdict and comfort themselves with thinking that they are really after all applying to them up-to-dote tests. Thus the battle to rid our society of the ultimate penal sauction was protracted and hard fought; we were one of the last of the countries of the western world to consign the public hangman to the legal history museum. Only the United States and France cling to this outmoded form of

What is thus new about the current controversy is the apparent revival of the traditionalist approach. Having made the change, perhaps painfully, tion.) Twenty years later his judgeships rather than he a troubles, the possibility of

msjority in favour of continuing with abolition. practical arguments for not restoring the execution of even a few murderers s year are so compelling that the Home Secretary, quite apart from being a confirmed abolitionist himself, will tell the House of Commons that hanging is out beinousness of the crime. At past supported the campaign to of the questioo. Two groups that time the judiciary as a rid the prison system of the procesa leading to been divided in its view. hanging play a vital part in any practical consideration of

hoth

punishment is anything but legislators so readily to restore vealed that there was such even if at one remove. (There new. Even after Parliament the status quo cate? Once distaste among the judiciary are signs in the Temple that abolished the death penalty for changed, the old order yields for the nonsensical categorisa- some Queen's Counsel would murder in 1965 the debate has place to the new as if the latter tion of murders in the Homicide decline to prosecute or defend the death penalty a remote not he counted as B perfervid of the members of the new imprisonment, that

More directly involved in the supporter. So long as the process of hanging is it is not just a headcount alternative pacalty was life the small band of prison the members of the new imprisonment that Parliament that reveals a sdequate to mark out the governors have quietly in the

THE WEEK IN THE COURTS BY JUSTINIAN

Today, although the Lord the question. Judges and Chief Justice, Lord Widgery, governors of prisons are key favours 8 restoration of the persons in the criminal and death penalty, the overwhelm-penal process that takes 8 muring majority of judges is against derer to the scaffold. And a return to it. What is more groups have powerful is that of the total mamhership voices in the corridors of power. of the Queen's Bench Division In 1947 when Parliament first of the High Court 90 per cent essayed the abolition of the have been appointed since 1965. Lords that all the judges were in favour of hanging. (He admitted later that ha had misled the House, hecause to tell the House, hecause to tell the House, hecause to the levation to the Beoch panalty: othera welcomed the reliaf from a distaste-the asked to sentence anyhody ful duty. Today many governors would revolt at the thouse would perform their duty. admitted later that ha had mis- would perform their duty, if the return of hanging. In 8 led the House, hecause two reluctaotly, one or two might service that currently has more judges were in favour of aholi- in conscience resign from their than its share of industrial

of persons involved in the whole would probably have macabre and devasting effect of an execution within the walls. Those governors who came into the service when hanging was a Chief Justice, Lord Widgery, regular feature of prison life gritted their teeth and performed their role, numbed hy the speed with which execution took place. Prison officers lovelyed in guarding the condemned man in the likewise execution stoically performed their tasks.

Hangman's return would not be easy Home Secretary to avoid con tha House of Commons vdfed frontation, if not widespread against hanging for terrorism resignations.

against two new aspects of the reflect. The evidence does not; to be at risk. however, suggest that capital punishment is a unique deterrent any more than has been concluded in the past. The other aspect has been the problem of terrorism. While terrorist kill-following the recent pay ings arouse even greater indignation than, say, the murder in the course of robbery or rape. the arguments for hanging the

former are weaker. The condemned terrorist in prison is the focus of political agitation among his colleagues outside. Attempts at escape — a constant source of worry to the prison service with nearly a bundred IRA man inside would be stepped up. Reprisals for executions would inevitable, with more loss of life involved. And doubtless the recruitment to the ranks of terrorist hombers would be the youngsters who by virtue of age would not be liable to he hanged. These factors tell powerfully against the death penalty for terrorist crimea of. any aort.

In short, the death penalty would neither deter terrorists Spring Bank Holiday.

CONTROVERSY OVER capital will the British public want its successor. Lord Parker, re- party to the dreadful deed, refusal to carry out an execu- nor increase the safety of the causing death, the majority being 152 and 129 respectively. siderations have to be measured Even with a change in the political composition and comsubject. In recent years there plexion of the House of Comhas been a sufficiently notice mons and a possible change of Bble increase in both the actual heart among some of those MPs numbers of murders and in the who in the recent past suprate of murder to make any ported abolition, penal progress student of the subject pause to of the recent years does not look

Metropolitan at

award, Metropolitan Police manpower has reached 22,512 the highest number in the force's 150 years.

The previous highest was 22,497; which was reached in

Deputy Assistant Commissioner, Mr. Tom Harrison, in charge of personnel, explained: The situation is huovant and rising and we expect to go on recruiting at 8 healthy rate in the foreseeable future. Al-though we are still about of our suthorised strength of 26,000, the present trend is very encouraging."

Fares reduced IN A BID to encourage the use of city huses Derby Corporation will reduce bus fares over

Red God, 25, leaves a legacy of notable world winners

THERE HAVE been few mark as a stallion.
greater sizes to stand in Europe one of the first notable winsinca the war than Red God, ners to be got by Rad God was and many people will have heen at the age of 25 in Ireland. as a sire. A fine example of the pre-

potency of Nasrullah, whose other flag hearers at stud have included Bold Ruler (arguably

RACING

BY DOMINIC WIGAN

the 20th century's outstanding sire), Red God had a bectic both on the racecourse and at stud.

Raced as a two-year-old in England, when he won the Richmond Stakes and was also second in the Champagne Stakes, Red Cod was then shipped to America, where he ran with reasonable success in his second and third seasons.

On his return to Europe, the striking chestnut, who inherited all the spirit and unpredictable Red Vagabonde, Red Lord and

St. Alphage who, like his saddened to learn of his death father, really came into his own

> No more than a high-grade sprint handicapper, St. Alphage has already been responsible for Sandford Lad, the outstanding five-furlong performer of 1973, who brushed aside the best in Europe with victories in Long-champ's Prix de l'Ahbaye, the Nunthorpe at York, and Goodwood's King Ceorge.

Soon after heing represented by St. Alphage, Red God was himself responsible for a Prix de l'Abbaye winner in that flying machine, Folle Rousse. It was as a jnvenile that the

Ken Cundell-trained filly won Europe's top sprint, a feat not achieved again by a two-year old until Sigy's triumph of last autumn.

Other top-class winners to represent Red God soon fol-lowed, including Yellow God. Creen Cod, Jacinth, Red Alert. possibly the best juvenile of

Several of these performers were brilliantly precocious juveniles whose second-season careers were a let-down. But I suspect that the determination of connections in some cases to try for the classics-in which lack of stamina was usually the prohlem—created more disa-pointments with Red Cod threeyear-olds than handlcaps in temperament.

Red God, who stood at County Rildare's Loughtown Stud, was responsible for the winners of nearly £11m throughout the world. He will long be remembered.

> WOLVERHAMPTON 2.15-Crowned Hat 2.45-Carolsky 3.15-Mill Street** 3.45—Quickthorn* 4.15-Our Kndos

4.45-Marshall McCloud

5.10-Pelican Point NOTTINGEAM

7.15—Given

7.45-Byzantium ***

HTV

1.20 pm Report West Haudlines. 1.25
Report Wales Haudlines. 5.15 The
Undersea Adventures of Captain Namo.
5.20 Croseroads. 6.00 Report West.
6.22 Report Wales. 11.15 The Menday
Film: "Jigsaw John—They Only Come
Out Al Night."
HTV Cymru/Wales—As HTV General
Service eacegt: 1.20-1.25 pm Penewdas
Newyddion y Oydd. 2.00 Hamdden.
2.25-3.20 Alter Noon Plue. 6.00-6.22
Y Oydd. B.30-9.00 Yr Wythnes Ar
Ewroo.

Y Oydd. B.30-3.00 Tr vryining. Ewron. HTV West—Ae HTV Genoral Sorvice 8xcsol: 1.20-1.30 pm Rogort Weet Head-ilnos. 8.22-7.00 Report Weol.

1.25 pm News and rood and weather.
2.25 Mondey Matinee: 'The Girl In The Hed Velvot Swing:' cataring Ray Millend and Joon Colling. 5.15 Papeys. 8.20 Croestoado. 8.00 Sociand Todey. 8.20 Crimodeek. 8.30 Wilkie in Wintor. 10.30 Late Call. 10.35 Sociaport Social. 11.05 Encore for the Arts. 11.50 Love, American Style.

TYNE TEES

B.25 sm The Good Word followed by North Eest News Headlines. 1.20 pm North Eest News Headlines. 1.20 pm North Eest News and Lookaround. 2.25 Monday Matines: "Lancor Spy." 3.50 Bailey's Bird. 8.15 University Chollongo. 6.00 Northern Life. 11.15 "The Oblong Box" statring Vinceni Price and Christophor Lee. 12.40 am Epilogue. ULSTER

1.20 pm Lunchime. 2.25 The Shepo of Thinge. 2.50 The Frionds of Man. 3.20 Thin Year, Naxt Yoar, 4.12 Uister News Headlines, 5.15 Cartoon Time. S.20 Croperoade. 5.00 Good Evening Uister. 10.30 Three for Europe. 11.00 Writero Guild Awards. 11.46 Hogan'e Heroeo. 12.10 em Sodtime. WESTWARD

WESTWARD

12.27 pm Gub Honsybun's Birthdeyo.
1.20 Wastward Newa Hoaddlinse. 2.25
Tho Mondsy Matines: "A Wolk in The
Spring Rain" starring ligrid Borgman.
5.18 University Challongo. 6.00 Wastward Olary end Sports Reek. 10.28
Westword Lats Nowe and weather.
10.32 Catch 79. 11.00 Writers' Guild
Awards. 11.45 TV Movis: "Colotado."
12.40 am Foith for Life. 12.45 Weet
Gountry weather and ehipping forecast.
YORKSHIRE

1.20 pm Colonder News. 2.25 Mondey

S.00 am Moning Music. 8.00 Tho AM Show. 10.00 Brien Nayes: 1.00-2 pm LBC Reports with Osorge Gsie st 3 pm. 2.00 After Eight. B.00 Night-ine. 1.00 em Night Extre.

OPERA & BALLET

COLISEUM. Credit Cards. 01-240 5258.
Reservations 01-838 3181.
Tal. C.C. bookings only 01-240 5258.
ENGLISH NATIONAL DPERA t
Tues. Tour. and Sal. at 7.30: The Italian
Girl trom Alplers. Mos. Wed & Fri at
7.30: Madame Sutterfly.
104 balcony seats avail, from 10.00 a.m.
on day of peri.

COVENT GARDEN. CC. 240 1055. (Gardeocharge Credit Cards, 838 8903, 758 ROYAL OPERA Ton't & Thor 7,30 Werther. Fri 7,30 La Soheme. Soheme. THE ROYAL BALLET
Wed 7.30 Sirthday Diferino. Saled
d'amour. Symahonic Variations, Pacade, a
Induct to Margot Fonteyn. Sat 2.00 &
7.30 Manon. Amphy seats avail for all perfe.

SADLER'S WELLS THEATRE. Rosebery
Ave. ECI. CC. 01-037 1672.
LONDON CONTEMPORARY
LONDON CONTEMPORARY
EVGS. 7.30. Wed. Mat. 2.00.
Tues & Wed. Scene Shift (New Work)
Days Untold. Three Solor, Just Before
Thur Fri & Sat. Scriabin Preludes d
Studies. Tray Game. Reflections.

ALBERY From 8.30 am incl. Suns. E36
3878. CC. Bookings 836 1071-3: E893.
7.45. Thurs. and Sat. 4.30. 8.00
A THOUSAND TIMES WELCOME IS
LIONEL BART'S
"MIRACULDUS MUSICAL!"
FINANCIAL TIMES.
GILLIAN BURNS, MOTRICE
GILLIAN BURNS, MARGARET, BURTON
CHILDREN'S HALF PRICE/OFFER
0AY OF PEPONMANCE
Also party rates grant.

ALDWYCH. CC. 836 8404, Info. 836 5332 RDYAL SHAKESPEARE COMPANY in repertoire
From Wed 7.30 low price prevs new production Mikhail Bulgakoy's
THE WHITE GUARD
With: TNE YAMING OF THE SHREW (next
pert 31 May). LOVE'S LABOUR'S LOST
(next pert, 5 Junes).
RSC 9150 at THE WAREHDUSE 1seq
under Wi.

OINSUALE LANGEN, GWEN WAIFORD,
OAVIO BURKE, ANGELA DOWN

B O D I E 3

"IT'S IMPACT HIT ME LIKE A
THUNDERBOLT FROM JOVE THE
LANGUAGE BLAZES WITH WIT AND
INTELLIGENCE AND IT'S THEMS
ELECTRIFIES," D. Mau.

"WHEN WE HAVE LAUGHED, AT IT'S
WIT'S BEEN HELD IN THE GRIP DP IT'S
DRAMA AND REVELLED IN THE
COLOURS AND LAYERS OF IT'S LANGUAGE BODIES STILL RAISES ECHD
AFTER ECHO IN OUR MINDS AND
HEARTS, DINSDALE LANDEN'S PERFORMANCE IS WORTH GOING MILES
"MR. LANDEN CLYIE,"
S THE BEST PERFORMANCE IN A
MODERN PLAY NOW TO BE SEEN IN
LONDON," E. NOWS.

APOLLO THEATRE CC. 01-437 2853.
EYZ. 800. SS. 5 2808 B. MINS, Th. 3.00.
LAYENDER

LAYENDER

LAYENDER

LAYENDER

"HAPPY BIRTHDAY
THE AUTHORS OF "BORING BORING."
"FEYOEBUL LIYES, CA VAL' GGIN."
"IT WILL PROBABLY BUN AND RUN."
Dally MAI."

ARTS THEATRE. STORPARDIS 52152.

NOW IN 173 4th YEAR

85TORIA. Charino Creso Rd. S. CC. Irom
8.30 em 01-734 4291 cr 435 8031.

Mon-Thur 8 pm Fri & Sat 6.0 & 0.45 pm
LAS 3 WEEK81

8EST MUSICAL 0F THE YEAR
EYENING STANDARO AWARD 1077
Group bookings 01-437 3056.

AVENUE TICKET OFFICE. Queens Thantre
Foyer. Shattesbury Ave. W.1. Tel. 01-734
0281/0120. STUDENT/SENTOR CITIZENS
Standby Tickats Mpc-8/10 sels hery
Sam-7am tor Apolito. Orary Lene, Globe.
Her Majesty's. Paliadium, Lyvic & Victorie
Palace (sublect to availability)
CAMBRIDGE. 81-036 6058, Also open

GREAT THE TICATAGE
FOURTH GREAT YEAR

GARRICK CC. 01-836 4501. EV93. 5.00.
(thso). Wed. 3.00, 5at. 5.30 eed 8.30.

IIENNIS QUILLEY IN IRA LEYIN'S

MEW THRILLER

"THREE CHEERS FOR TWO HOURS
OF VERY INGENIOUS. YERY FUNNY
MARYELLOUS ENTERTAINMENT." S.Tel

"VERY EXCITING." FIn. Times.

GREENWICH THEATRE, 01-855 7785.

BOD. B.O. MAIS. S.T. 2.30. Molner's

FOR EXCHANGE THE THING. Adapted by

G. WOSCHOUSE.

GLOSE THEATRE. CC. 01-237 1502.

ETS. 6.15. Wed. 3.00, 0st. M 8.00. 8.40.

ALISON CHRISTOPHER

"ALAN AYCKEOURN FS. GORE R 283IN.

"IS ALAN AYCKEOURN FS. GORE R 283IN.

"IS ALAN AYCKEOURN FS. GORE R 283IN.

"IS ALTI. NO JOKING." S. MITTOP.

"IS ALTI. NO JOKING." S. MITTOP.

KINGS HEAD, 228 1918, From Wed Din 7

THEATRES HAMPSHIRE

MICHEL IN the new SHERLOCK HOLMES MYSTERV THE CRUCIFER OF SLOOD by PAUL GIOVANNI "The kind of spectacle I cament recall since boyhood terrific stuff." News-NER MÅJESTY'S. CC. 930' 6606.
Evgs, 8.0. Wed. 3.0 Sat. 5.75 and 8.45.
The New Fats Weller Mosical Show
"A RIOTOUS HIT." Daily Meil.
"JUBILANT. THE REST PERFORMANCE
OF ANY MUSICAL IN LONDON." Obe.

OF ANY MUSICAL IN LOMDON, OBS.
LYRIC THEATRE CC. 01-437 3686.
FYOS, 8.00. Thurs. 3.00. Sec. 300, 8.30.
JOAN FRANK
PLOWRIGHT FILUMENA

BY Edwards. da. Rilippo
Oirected by FRANKO. ZEFERMEL!
Society. Of West End Theorie: Award.
COMEOV OF THE YEAR
"TOTAL TRILIMPH." EVE. News. "AN
EYENT TO TREASURE." O. MirrorLIMITED SEASON ONLY

MAY FAIR: 81-829, 2026. LIMITED SEASON ONLY.

MAY FAIR:

Evenings 8.00. Sat. 8.00 and 8.45.

A OAY SN HOELYWOOD

A NIGHT IN. THE UKRAINE

A MUSICAL REVUE

"Superlative non-stop comedy." E. News

"A scorcher of home-grown, entertainment, Oally Mail. A laught foot sheet, and to, be, dissed. Treat yourself to 2.000 times inglessed. Treat yourself to 2.000 times inglessed. Treat yourself to 2.000 times and the bear seed in five years." Capital, Radio."

NATIDNAS, THEATERE, 125 2.52,
OLIVIER, Gopen Stabett, Mon. 7, 30, THE
DOUBLE DEALER by Compress
LYTTELTON GROSCHIERE ST.
Mon. 7, 45 low price prov. \$2,000 CONTESTED STABETT
COTTESTED Small auditoriant: Today
mat. 3,00, Ionight, Tues at 8, 125t perts.
LARK RISE by Keth Oewhurst 8 ift The
Alblon Band, All Fets, prominerade,
£1,90. Albion Band: All titls, prominerade, £1.90.

PLATFORM PERFORMANCES at 500 in the Olivier, 45 mins. Tickets 50a.

Cue to the dispute involving stage gall. The Double Dealer is oben, in limited decor at only \$2.

of performance all 3 theories. Car park Restaurant 928 2038. Credit card book ings 028 3052. OPEN AIR REGENT'S PARK: CC 486 2431 A MIDSUMMER NIGHT'S DREAM, Red. Price Provs from 28th May. Eygs. 7.45. Mats Wed, Yurr. & Sat. 2.30;

PALACE CF 01-837-8834.
Mon.-Thurs. 8.00 Frl. 8 Sat. 8:00, 8:40.
ESUS CHRIST SUPERSTAR
by Tim Rice and Androw Lloyd-Webber.
PALLADRUM. CC 01-437 7573.
YUL BRYNNER

Rodgers and Hammerstein's THE KING AND I Also Starring VIRGINIA MEKENNA OPENS TUESDAY 12th JUNE BOX OFFICE NOW OPEN. HOTLINE 01-457 2055.

HOYLINE 01-437 2035.

PHOENIX THEATRE, CC. 01-836 2294.

Evs. 8.00, Wed. 3.00, Sat. 5.00 and 8.30

OIANA RIGG, JONN THAW IN

NIGHT AND DAY

A new slay by TOM STOPPARD

Directed by Peter Woods

8EST PLAY OF THE YEAR

PICCADILLY. From 8.30 em Incl. Suns.
437 4508. CC bloss, 838 1071. Provs.
from Wed. Mey 23. Evgs. 8. Sats. 5.30.
and 9.30. Opens Wind. May 30 at 7. Thur.
3 and 0 from June 7.
3 and 0 from June 7.
THERE BARK WORTH

HANNAM GORDDIN

IO BRAIN CLAY'S NEW BAY

CAN YOU NEAR ME AT THE BACK?

PRINCE EDWARD. CC. 01-427 8877

PRINCE EDWARO. CC. 01-437 8677. Evenings 6.00. Mats. Thurs. Sat. 3.00. by Tim Rica and Anorew Lloyd-Webber. Directed by Narold Prince. PRINCE OF WALES. CC. 01-437 8877.
care beokings 030 0248, Mon. Thurs.
8.00. Friday and Sac. 8.00 and 0.45.
ALAN AYCK80URN'S Smash-hit comedy
82DROOM FARCS
"It you don't laugh, sue ma." D. Exp.
A National Theatre Production. A National Tingatre Production.

QUEENS TREATRE. CC 01-734 1185.
MICHAEL CRAWFORD
CNERYL KENNEDY
IN FLOWERS FOR ALGERNON
A New Musical
Reduced price previews from 4 June. Spm
NOW BOOKING

NOW BOOKING

RAYMOND REVUEBAR. CC. 734 1593.
At 7.00. 0.00. i1.00 pm. Opens Suns.
THE FESTIVAL OF EROTICA
Fully all-conditioned, 21st YEAR.
RIVERSIDE STUDIOS. 01-745 3354.
Brev. Tmor. 7.30 MEASURE FOR MEASURE.
Dir. by Peter Gill.

DIF. by Peter GIII.

ROYAL COURT. 730 1745. Evgs. at 0.

SUS. 500 and 8.30.

IAN MCKELLEN TOM BELL

by MARTIN SHERMAN. A work of considerable dignity end passion. Gon.

ROYAL COURT THEATRE UPSTAIRS.

730 2554. Pitys Irpm May 30 Evs 8.

AN EMPTY DESK by Alan Druy.

ROYALTY. CC. AN EMPTY DEEM BY MAIN DEUTY.

ROYALTY. CC. 01-405 8004.

Monday-Thursday evenings 8.00. Fridays
5.30 and 8.45. Saturdays 3.00 and 8.00.

SUBSLING BROWN SUCAR

NOW IN ITS 2nd GREAT YEAR

Book by telephone for the entire lamily. Book by telephone for the entire family.

SAVOY THEATRE. 01.838 8888.

Credit Cards 01.734 4772.

SILL PATERSON "One of those rare young ilons of British Theatre." FT. In WHOSE LIFE IS IT ANYWAY?

PLAY OF THE YEAR West Ed Theatra Awerd by Briac Clarke. "A momentous plny. I onge you to see it. "Gdn. Evs. 8.00.

Sat. 5.45, 6.45. Red. MSts. Wed. 3.00.

ST. GEORGE'S SMAKESPEARE INEATRE. Tulnell Park Road, NT. 807 1128. Eves, 7.30. Mat. Viz.. Thur. 2.30. THIS WEO. AT 7.9. RICHARD 11 with SERNARO HEPTON Cordon bleu buffet from 5.30.

ST. MARTIN'S Credit Cords 835 1443.
Evenings 8. MSE: THES. 249. Set. 5. 6.
AGATHA CHRISTIE'S
THE MOUSETRAP
WORLD'S LONGEST. EVER RUN.
27th. YEAR

27th YEAR
SHAFTESBURV. 838 6508. CC 838 4255.
"S" Evs 7.45. Wed, & 821. 4.30 and 8.0.
8AWDY COMEDY MUSICAL
CANTERBURY TALES
"LOTS OF SEX PLEASE, WE'RE
8RITISH SUMS UP THE SHOW'S
APPEAL, D. Mir, "OECENT, HONEST.
TRUTHFUL," FIE, TIMES, TRUTHIOL. FIG.

5TRAND. 01-836 2600. Evenings 8.00.

Mats. Thur. 3.00. Satt. 5.30 and 8.30.

NO SEX PLASS.

WE'RE BRITISH

LONGEST-RUNNING COMEOY. IN THE

WORLD WORLD
STRATFORD-UPON-AYON, Royel Shakespeare Theatre (0789) 292221. Tickers
immediately available for RSC in
THE MERRY WIVES OF WINDSOR
tooloht tomor, May 24. CYMRELINE Mey
23. 24. Imst. 28. TWELFTH NIGHT
JUNS 11. 25. 28. Recorded booking Info
(0789) 60191.

TALK OF THE TOWN, CC. 01-T34 5051.
AIR CONDITIONING, CREDIT CARDS.
CELEBRATING 21 YEARS.
From 8.00 Chints and Oancing
0.30 SUPER REYUE
WHITELY
At 11 am TONY MCMOPOLY

VAUDEVILLE. CC. 01-838 9988. Evs. 8.00
Mat. Weds. 2.45. bni. 5.00, 8.00.
JEAN KENT and JUYCE CARRY
A MURDER IS ANMOUNCED
by AGATHA CHRISTIE
"VIN'AGE PISCE OF CNRISTIE
"WHOOUNITRY. Synday People.
"WELL-LUYED PARTY GAME BY
THE BEST CONJURDE IN THE
BUSINESS." FIRENCIA! TIMES. BUBINESS, Financial Times.

VICTORIA PALACE, CC. 07-928-4735-6.

Evgs. 7.30. Mins. Wed. and Sat 2.45

BIRATPORD LOHNS

ANNIE
BLOCKBUSTING SMASN-HIT

MUSICAL. Duly Mell.

Bet Musical of the Year 1378

Eweeling Standard, Drama, Award

Was being Standard, Drama, Award WAREHOUSE Dommar Theatre Covert Garden Bor Office 836 6806 Royal Shakespeare Co. From Time: 7.30 (Thors. 7.00) Premiere Tom McGratis THE INNOCENT All seats 22 Studams E1 bookable in advance.

WIRDMILE CC. 437 5312.
Nightly at 8.00 and 40.00. Signate 50.00 and 80.0. Faul Rhymnos-presents RIP OFF. The erotic experience of the modern for Now showing near second edition.
New piris. new acts, new production.

WYNDHAM'S, From 6:30 and Dic. Suns. 01-638 3025. Credit Lard-bkes 836 7071. Mon-Thurs. 8:00. Frl. and Sat. S.T. 8:37 ENORMOUSLY RICH. Mary O'Malley's smash-bis contedy DNCE A CATHOLIC. "VERY FUNNY" E. New's

"Sure-fig comedy of sex and religion."
Daily Tel. "MAKES YOU SNAKE WITH
LAUGHTER:" Guardian. Young Vic. 928 6363, Last Week Eys 7.30 Thurs, Mat. 2 John Osborne's LOOK BACK IN ANGER. CINEMAS GAA), WK. and Sun. 2.00, 5.15, 8.16
(Rst 3 days),

CAMDEN PLAZA: Camden, Town. 485
2443 : opposite yobe? MAX OPHILLS
MADAME DE . - (A.) Progs. daily
2.05, 4.15, 6.30, 8.50.

CLASSIC 1, 2, 3, 8.50.

CLASSIC 1, 2, 3, 8.70.

Progs. 1,40, 3.35, 5.59, 8.15,

Clengla Jackson. Obver Reed, The
CLASS OF MISS MACMICHAEL (AAI)
Progs. 12.45, 3.05, 5.30, 7.55,

3. Gregory Peck, Laurenca Obvier, The
CLASS OF MISS MACMICHAEL (AAI)
Progs. 12.45, 3.05, 5.30, 7.55,

3. Gregory Peck, Laurenca Obvier, The
BOYS FROM BRAZIL IXI Progs. 2.20,
4.55, 7.40,
Visit our new AMERICAN STYLE SODA
FOUNTAIN RESTAURANT, Open 5.30,
midmioht Table reservations 030 17:57,

CLASSIC 1, 2, 3, 4, Oalord Street, 556

middlight Table reservations 0.50 1787.
CLASSIC 1. 2. 3. 4. Oldred Street. 636.
0310 tops. Tottenham Court Rd. Tubel.
11. The WARRIGHS (X). Progs. 1.05.
3.25. 5.50.
21. Tory Cartle MANITOU (XI. Progs.
1.00. 3.30. 8.00, 8.30.
31. JULIA (X). 4.25. 8.40. TURNING PDINT (A). 2.15. 8.28.
4. KENTUCKY FRED MOVIE (X). Progs.
1.35. 3.45. 5.55. 8.10. CLASSIC, Leiceser Souvre, 01-030 8915, DEATH COLLECTOR IX), 2.55, 8.05, 9.15, MEAN DOG BLUES (X), 1.10, 4.20, 7.30, 7.30, CLASSIC POLY. Oxford Circus (Upper Resent SI.) 837 9363. Ingrid Bergman, Liv Uliman, AUTUMN SONATA (AAA. Progs. 1.30 100t Sun.I. 3.45, 8.00, 8.15. CURZON. Curzon Street. W.1. 400 3737.
Grand Prix Cannes 78 THE TREE Of the Control of the Contro Lettester SQUARE THEATRE 030 5252
PREPOWER AA. Sep. props. Wi2.00. S.00. 8.15. All seets blobe. In
edvance at Box Dimos or by post for
8.15 oros. Mon. Fri. DDEON LEICESTER SOUARE. 938 6111.
THE LADY YANISHES (AI. Sep. progr.
Wks. doors open 1.45, 4.45, 7.45, Al'
seats biblie. In edvance at Box Office or
by poss. ODEON MARRIE ARCH. W2 723 2017-2 BPICERMAN STRIKES BACK (U). 7H THIEF OF BAGHDAD (I). Sep. prost Dally 2.30, 7.00. Dally 2.30, 7.00.

PRINCE CHARLES, Leic. Sq. 437 6185.
Oustin, Noffman, Vanesa Redgraw.
AGATMA. (Ab. Sep. peris daily (no. 5un.) 12.40, S.10. S.55. 8.35. Late Show Fri. 8 Sat. 11.18. Seats bookable.

Licensed Bar.

SCENE 4. Letcester Seats (Wardour St.).
A ROSE GARDEN IX. PROMISED YOU.
A ROSE GARDEN IX. PROMISED YOU.
S.00. 8.20. Late show Fri. and Sat.

TUDIO 1. 2 and 4. Oxford Circus, s.3.
3300.
7. THE CLASS OF MISS MACMICHEP!, (AA). Progs. 1.10. 3.00. 5.35. 8.TF.
Late show Sst. 10.50.
2. ASSTHA Christle's DEATH ON INV.
NILE 'A1. Progs. 2.30. 5.25, 8.10. Late show Sat. 10.30.
4. THE DEER MUNTER CO. Sep. Perfs. Div., 12.30, 4.08, 7.40. Late Show Sat. 11.20. Seek Bookmide. CLUBS

EVE. 196. Regent Street. 734-0557. A la Carte or All-In Menu. Three Spectaculer Floor Shows 10.45. 12.45 end 1.45 end music of Johnny Hawkesworth & Friends. GARGOYTE. 80. Dean Street. London. WI.
NEW STRIPTEASE FLOORSHOW
"AS YOU LINE IT"
11-3.30 am. Show LI Midnight and 1 am.
Mon.-Fil. Closed Ssturdays, 01-637 6495.

GNEW CALLERY 43. Old Bond St. W. J. 01-820 8175. FINE PRINTS OF FIVE CENTURIES. Until 2 PMSy. Mon-Frt. 0.30-5.30. Thurs. until 7. BROWSE AND DARBY, 19, Cort Street ORGAS AND ROOM __ Brozes SM

W.1. 01-29 5115. HENRY & HORNEL

BBC 1

† Indicates programme in hlack and white 6.40-7.55 am Open University (Ultra high frequency only). 9.38 For Schools, Colleges, 10.45 You and Me. 11.00 For Schools, ColSchools, Colleges. 3.15 Songs of Praise for Lianelli, Dyfed. 3.53 Regional News for England (ex-cept London): 3.55 Play School (as BBC2 11.00 am). 4.20 Deputy Dawg. 4.25 Cheggers Plays Pop. 4.45 Baggy Pants and the Nitwits. 5.05 Bloe Peter. 5.35 Paddington.

5.40 News. 5.55 Nationwide (London and South-East only). 6.20 Nationwide.

DOWN

ing in tight situation (3, 5)

suhmerged hoat-race crew

2 Length of queue to see

3 Note authorising third-class

5 Part of navy spreading infec-

6-Has been second pain killer

7 A parent gets in violently

8 Expiry of bequest by will (6)

9 Odds are in this place for a

14 The strange tree above valley described by novelist

member of family (8)

20 American attorney on hoard

21 Rouse party manager out of

22 Children can count on this

24 Coarser Rugby Union turns

can be met by sppointment

planet possibly (6)

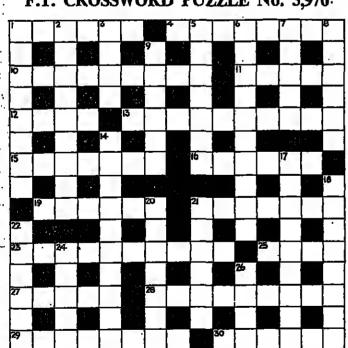
strike (4)

(5, 1, 4)

bed (4, 2)

ful (9)

leges. 12.45 pm News. 1.00 Pehhis 6.55 Ask the Family. F.T. CROSSWORD PUZZLE No. 3.976



ACROSS

cisaner

1 Recipe for meoding puncture 1 Rake's progress possibly end

4 Blackleg poet used to hold weapon (8) 10 Massive bird offering fair

11 Fascination of Frenchman (5) 12 Returning celebrated pests (4)

amusement (3, 6)

13 Starta to ask for turn with .15 The French strew all over the place and struggle (7)

216 Thrust bar for loading the gun (6) 19 Add article on two planos 17 Clear about 51 being forget

.. before close (6) 21 First letter of Welsh hooker 18 Lots of dollars put on junior to cyclist (7)

23 Pressure of interest to those on boliday (10) 25 Just take plane (4)

27 Rotter for example comes hack to acrounge (5) 28 Parliamentary pornography

(4, 5)29 Way to wave to rambler (8) up blushing (5)
30 Instruction one needs in 26 Decoration holds nothing for

the music maker (4) The solution of last Saturday's prize puzzle will be published with names of winners next Saturday.

31

8.10 Panorama.

9.00 News.
9.25 The Monday Film: "Up
The Chastity Belt" scarring Frankie Howerd.
10.55 Tonight.

Scotland. 6.15 Assembly 79. 6.25 Join BBC1 (Nationwide). 11.35

2.18-2.40 For Schools. 5.55-6.20 Wales Today. 6.55-7.20 Heddiw. 11.35 News and Weather for

Northern Ireland-3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 11.35 News and Weather for Northern Ireland.

Midlands Today (Birmiogham); Points West (Briatol); South Today (Southampton); Spotlight South West (Plymouth).

11.00 Play School. 4.50 pm Open University. 6.55 Horseback.

iog sub-titles.
7.40 Ten Years of Yesterday's Witness.

8.10 The Waltons. 9.00 Sing Country. 9.40 Horizon. 10.30 Arena: Rock.

11.35 Heute Direkt (News from Germany). 12.00 Closedown reading. LONDON

12.00 Chorlton and the Wheelies. 12.10 pm Stepping Stores. 12.30 The Cedar Tree. 1.00 News, plus FT Index. 1.20 Thames News. 1.30

RADIO 1

RADIO 2

6.00 am News Summary. 5.02 Tony arendon (6). 7.32 Ray Moors including 6.27 Racing Bulletin end S.45 Pause for Thought (S). 10.03 Jimmy Yosng (S). 12.16 pm Waggonsrs' Walk. 12.30 Pavid Nemilitan (6). 4.30 Waggoners' Welk. 4.46 Sports Oesk. 4.50 John Ouon (S). 8.45 Sports Oesk. 4.50 John Ouon (S). 8.45 Sports Oesk. 4.50 John Ouon (S). 8.45 Sports Oesk. 7.02 Mustic from the Moviee (6). 7.30 Sports Oesk. 7.23 Alen Dell Incisding 7.33 The Oesce Bend Oeye and 8.02 Tho Big Band Soand (S). 9.02 Nows headlines. Numphita Lytisticn with Tho Best of Jszz (S). 8.55 Sports Oesk. 10.02 Pros end Cone. 10.30 Star Sound. Richard Bekor. 11.02 Brisn Matthew with Round Midnight Including 12.00 News. 2.02-5.00 am You and the Night and the Music with Lan Jackson (S). RADIO 3 RADIO 2

RADIO 3

*6.55 am Waethst: 7.00 News. 7.05
Overturo (5). 8.00 News. 8.05 Morning
Concert (5). 8.00 News. 9.05 This
Week's Composer: Mikhail Ivanovich

Year. 4.20 Clapperhoard. 4.45 The Bey Merlin. 5.15 Batman. 5.45 News.

6.00 Thames at 6. 6.35 Crossroads. 7.00 Lingaloogamax. 7.30 Corooation Street

9.00 Turtle's Progress. 10.00 News.
10.30 Writers' Guild Awards.
11.15 Monday Thriller: "House of the Damned." 12.25 am Close: Jo Maxwell

BORDER

1.20 pm Sorder News. 2.00 House-party. 12.25 Meunce: "Street Cornet." eterning Peggy Cummins, Torence Morgan and Barbora Murray. 5.15 University Challenge. 8.00 Lookerund Monday. 6.20 The Sound of. Jon Henderson. 11.15 Late Film: "The Hanged Mon" starring Steve Forrest and Ossn Jogogt. 12.40 am Border News Summery. CHANNEL

CHANNEL

1.28 pm Channel Lunchtime Naws
end What's On Whete. 2.25 The
Monday Matines: "A Welk in The
Spring." 5.15 University Chellongs.
5.00 Channel News. 5.10 Untermed
World. 7.00 Lingalongmax. 10.28
Channol Lato Nows. 10.32 Cettin 79.
11.00 Writers Ouldo Aworde. 11.45
TV Movie: "Coloredo." 12.40 em News
and weather in Franch followed by
Channol Gazette.

C.D.A.M.D.L.A.V. GRAMPIAN

Glinka (S). 10.00 Tarking About Muerc (S1. 10.30 Bach Violin Sonatas. 11.05 Middey Concert, part 1 (S). 11.45 In Short (tsiki, 11.55 Midday Cancert, part 2 (S). 1.00 pm News. 1.05 BBC Lunchtima Concert (S). 2.00 Muerc for Orgsn (S). 2.40 Matinoe Muelcale (S). 3.40 Nsw Records (6), 4.55 Bendatind (S). 5.25 Nomeward Bound (S). 25.46 News. 45.50 Hemsword Bound, 36.18 At Homs: Concort: Nielasn, Besthoven. 7.10 John Dowland (S). 7.30 "Don Ouksole," csmic opers in two Sets by Paioislol (B). 10.00 Saigon Rose by David Elest (S). 11.25 Jazz in Britain (S). 11.56-12.00 News. VHF Only - 6.00-7.00 am and 5.45-7.10 pm Open University.

RADIO 4
6.00 am News Bristing. 6.10 Ferming Week. 5.25 Shipping forestast. 6.30 Today incleding 6.45 Preyot for the Osy, 7.00, 8.00 Today's News, 7.30, 8.30 Nows headlines, 7.45 Thought for the Day. 8.35 The Week on 4. 6.45 Rey Gosling with the BBC 6 and Archives. 9.00 News. 9.05 Start tha Week with Richard Baker. 10.00 News. 10.06 Wildlife. 10.30 Osily Service. 10.45 Morning Stary. 11.00 Whon Cats Runs Out. 11.45 Listen with Mother. 12.00 News. 12.02 pm Yos and Yosie. 12.27 Brein of Britein 1879 [S]. 12.55 Westhor: programme news. 1.00 The World at Onc. 1.40 The Archato. 1.56 Shipping Ioracaet. 2.00 News. 2.02 Women'e Haur. 3.00 News. 3.05 Alternoon Theatre [S]. 4.35 Story Tims.

HTV

SCOTTISH

SOUTHERN

Radio 2.

London Broadcasting

on am Morning Music. 9.00 Tho

Naves: 1.00-

THEATRES HAYMARKET. 01-930 9832 Eves. 8.00. Wed. 2:30.

THEATRES

ADELPHI THEATRE, 01-838 7614,
EV9S. 7.30, Mats, Thurs, 3.00, Sat, 4.00,
Ev9S. 7.30, Mats, Thurs, 3.00, Sat, 4.00,
Ev9S. Thurs, 5.00, Sat, 4.00,
LONDON'S HAPPIEST MUSICAL
BEYONO THE RAINBOW
Starring FREDDY QUINN
(winder of 13 Golden Discs)
and ROY KINNEAR
MUST, END. SATURDAY

AMBASSADOR'S. CC. 01-836 f171. Eves. 8.00. Frl. and Sat. S. 30 and 8.30. OINSOALE LANDEN. GWEN WATHORD. OAVIO BURKE, ANGELA DOWN

Daily Mail.

ARTS THEATRE TOM STOPPARD'S DIRTY LINEN

"Hisrious . . . see it." Sun. Times. Monday to Thurnday 8.30. Friday and Saturday 7.00 and 0.15. NOW EN ITS 4th YEAR

CAMBRIDGE. 81-036 8058. Also open Sun. 11 am-7 pm cC. 01-836 7040. Mon.-Thur. 8:00. Frl. end Sat. 5:00 nod 8:30 THE CRITICS HAVE RAVED ABOUT CHICAGO THE SMASH HIT REDADWAY MUBICAL Group bookings 01-437 3850. CHICHESTER FESTIVAL THEATRE, 0243
701312. Session syponsored by Minchin A
ROSSI. THE EAGLE NAS TWO NEADS.
TOday. Tomor, Wed 7.0, Thur 2.0 THE
DEVIL'S DISCIPLE Thur 7.0. COMEOY THEATRE. CC. 01-930 2578.
Mon, at 0.00. Mats. Fri. and 5at 8.30
THE ONLY ROCK'N ROCK SHOW
THE ROCKY HORROR SHOW
SNACK BAR DPEN t HR, BEFORS PFS.

FORTUNE 836 2238. Ers. 8.00. Mats. Thurs. 3.00. Setartiny 0.00 and 8.00. AOATHA CHRISTIE'S MURDER AT THE VICARAGE FOURTH GREAV YEAR

TUDIO 1. 2 and 4. Oxford Circus, 437

ART GALLERIES

COLNAGHI. 14-01d Bond Street, Landon. W.1. 01-401 7400 PAINTINGS FROM MUGNAL INDIA. Until 28ta May. Mos. Fri. 0.30-8. Sats. 10-1. CRANE KALMAN GALLERY 178 Brompton Pd. S.W.3. 01-584 7586 MODERN RITISH. EUROPSAN AND AMERICAN PAINTINGS AND SCULPTURE MON-FI. 10-8. S45. 10-3. EXHIBITION of Limited Proofs by Sir War, Russell Film, R.A. Large Selection now available. Pricad Catalogue by post. 500 Ren: Colleries. Crescent Road. Harrogate 502998. LEFEVRE GALLERY. CONTEMPOBARY PAINTINGS. Weekdays 10-5. Sats 10-5. Al 30. Stuton Street. London, W.1. Tel-01-493 1572.

هكذا من المرمل

11.35 Weather/Regional News.
All Regions as BBC1 except at the following times:
Scotland—5.55 pm Reporting

Sportsceoe: The Camanachd Shinty Cup Final (highlights). 12.05 am News and Weather for Scotland. Wales-1.45-2.00 pm Pila Pala.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Maochester, Newcastle);

BBC 2 6.40-7.55 am Opeo University.

7.20 Cameo of Dartmoor. 7.20 Mid-Evening Naws includ-

11.10 Return Call to Brass Tacks. 1120 Late News.

9.30 am Schools Programmes.

(a) Stareochonic broadcast
timedium Wave
5.00 em As Radio 2. 6.00 Posl
Bsmett. S.00 Smon Betes. 11.31 Peter
Powell. 2.00 pm Tony Bleckbum. 4.31
Kid Jsnsen. 7.00 Stayin' Alive. S.00
John Pael (6). 12.00-5.00 am As Radie

Sures in Store. 2.00 After 5.30 Neppy Days. 11.15 Report Noon Plus. 3.20 This Year Next

8.00 In Loving Memory. 6.30 World in Action.

Muller reads from the Book of Kells. All IBA Regions as London except at the following times:

ANGLIA

1.25 pm Anglia News. 2.00 Houseparty. 2.25 Monday Film Motines: "Cell
Northoldo 777" etering Jamoo Stewart.
5.18 University Chellongo. 6.00 About
Anglio. 11.15 Choopes Squad. 12.15 em
Living and Growing. 12.45 Reflection.

ATV 5.18 University Chellongo. 6.00 About Anglio. 11.15 Chogosi Squad. 12.15 em Living and Growing. 12.45 Reflection.

ATV

1.20 pm ATV Newdask. 5.15
5urvival. 2.00 ATV Today. 10.30 Lelt. 7.20 pm Routhorn Southoort 10.30 Southarn Nowa Extre. 10.35 Invacion Road. 11.05 Southegort Speadway. 12.00 Farm Progreeo.

S.00 PM: news magosino. S.50 Shipping forsoatt. 5.85 Wosthor: programmo news. 9.00 Nows. 6.30 Whet Hol Jeeves. 7.00 News. 7.05 The Archors. 7.20 From Out Own Correspondont. 7.45 The Monday Play (S). 9.15 Kilvert in Season. 9.30 Koloidoecope. 9.59 Waathsr. 10.00 The World Tonight. 10.30 Conversetion Plecs. 11.00 A Book At Bedtime. 11.15 The Finscis! World Tonight. 11.30 Today in Pstilsment. 12.00 News. BBC Radio London

Capital Radio Capital Radio
5.00 am Mike Smith's Breakfast Show
(S). 9.00 Michael Aspel (S). 12.00
Daye Cash (S). 3.00 pm Roger Scott
(S). 7.00 London Today (S). 7.30
Adrian Laur's Open Line (S). 9.00
Nicky Horne's Your Mothor Wouldn't
Lika It. 11.00 Tony Myatt's Late Show
(S). 2.00 om Fetor Young's Night
Flight (S).

GRAMPIAN
9.20 am First Thing. 1.20 page
Gramgian News Noedlines. 5,15 University Challange. 6.00 Grompian Today.
6.05 The Esciric Theatre Show. 10,30
Refections. 10.35 Scotsoort Specisi.
11.05 A Twiet in the Telo. 12.05 am
Grampian Late Night Naedlines.
GRANADA
1.20 pm Cartoon. 2.25 Mondoy
Mattinos: "The Kasgana." 3,50 Window
On the World. 5,10 The Undstreas
Adventures of Captein Nome. 5,16
Crossroads. 6.00 Granads Reports.
11.15 Csec for the Osienco. SNACK BAR DPEN I HR, BEFORS PTS.
CRITERION, From 8.30 am Incl. Suns.
930 3218, CC bkys. 838 to71.
Evs. 8.0. Frl. and Sat. 5.30 and 2.30.
LEWIS ELIZEBETH
FIANDER CLOUDS
"IS CLISS" Observer.
"MICHAEL FRAYN'S FUNNIEST
PLAY." O. Telegraph. OUCNESS. 81-936 8243, Mon. to Thurs.
Evs. 8:00. Frl. 3hd Sat. 5.30 end 5:15.

"Yhe nudity is stunning." Oally Tel Ninth Sensational Year.

DKURY LAME. CC. 01-856 9198.
Reduced price preview Mon. 28 May. Opens Tuesday 29 May at 7 om Evst. 8 pm. Friday and Set. 8 om end 8:45, pm SRASIL TROPICAL
THE STAGE EXTRAVAGANZA
FROM THE RIO CARNIVAL S.00 am As Redio 2 B.30 Rueh Hour.
9.00 London Live. 12.03 pm Call In.
2.03 208 Showcaee. 4.03 Nome Run.
6.10 Look, 5too, Listen. 7.30 Bleck
Londoners. 8.30 Breakthrough, 10.03
Late Night London. From 12.60: As
Radio 2.

THE ARTS

Polytechnic of Central London

The 'face' of China

by VICTOR CLARK

and counter marching in recept sentation technique is similar. decades leaves the Western observer somewhat buffled with no clear ldca aboot what llving in modero China is really like. This is one reason why the exhibition of Chinese Popular Art and Political Culture at the Polytechnic of Central London will lutrigue the mcrely curious as well as the Chinawatcher. It is the first of its kind in London and requires viewing at two levels.

Apart from the merlts of individual exhibits the show also provides a social commentary on the changing political culture of the 1960s and 1970s.

On show are examples of posters, woodcuts, paper cute and cartoons, as well as some household items such as a Red alarm clock and a squeaky plastic doll waving chairman Mao'a Little Red Book. No opportunity bas been lost to get a message across, even the second hand on the clock clutches a little red book that jerks as the seconds pass. Both date from the cultural revo-

graphics but "Art For Art's Sake" is not one of them. The Chinese rejected that one Chinese rejected that one totally. What we see here is the art of the streets, hoardings and noticehoards, the day to day "dialoguea" hetween government and peasant and hetween peasant and peasant. The Western equivalent is undoubtedly the ways of press TV and tedly the mass of press, TV and poster advertising which bomhards us daily.

The difference is of course

China's ideological marching much of the imagery and pre-Whatever the propagandist's nationality, whatever the com-modity be happens to be selling. whether the appeal is to "Deepen The Movement To Criticise Lin Biao and Con-fueius" or to "Take Up Lu Kun'e Battle Pen," or to "Sign Your Way Round the World" (on a credit eard), there is often

a surrealistic quality which can produce essential light relief for jaded endiences East or West. My enjoyment of the show was, bowever, slightly marred by recorring images of welloiled automatic wcapons, seemingly as essential to the etory as the infant Jesus was 10 much

renaissance painting.
The artwork itself is generally vigorous and colourful. 1 particularly liked the earlier pre-cultural revolution woodcuts which appeared lesa strident by comparison with recent poaters exhorting people to modernise China technically and ecientific-

There is little that is dull ahout such works hut as the catalogue notes point out. "The cultural Revolution produced some exciting new art by workers and peasants with little formal training, often working collectively and illustrating popular themes . . . it also produced a good deal of sicro-typed work in support of a succession of political campaigns." The evidence is at PCL and ehould he seen.

The staff and students responsible for this small but most worthwhile exhibition

deserve particular praise for achieving it without official belp from any source. The exhibithat the Chinese are selling tion ie open from 8.30 am to ideologies not cars, cigarettes 8.30 pm weekdays, and closes and washing-up machines. But June 6.



Scandinavian Festival

by NICHOLAS KENYON

Cui bono? Is the cagging the musle to Agatha Christies question which has asked itself Death in the Fjord, full o persistently during the Festival sensations, and complete with of Scandioavian Music which pisiol shot at the end. Arne has heen taking place in London end Coventry during the past week. A festival, should, hy definition, he festive. Per-haps the concerts given in Coventry Cathedral and the the local populace to dance in the streets—though, as much of the streets—though, as much of the music was the same as the accordion's electronic-like that performed in London, I doubt it. On the basis of a sampling of the evening concerts given in London, however, (a concert by the Royal Pbillarmanic Control of the solo speakers placed at the sides of the orchestra. A keen ear for the accordion's electronic-like purity of sound and percussive wheezings, plus a vivid orchestral score of swirling sounds featuring bells, clouds of string tone and control of the solo speakers placed at the sides of the orchestra. A keen ear for the music was the accordion's electronic-like purity of sound and percussive wheezings, plus a vivid orchestral score of swirling sounds featuring bells, clouds of string the same as the accordion's electronic-like purity of sound and percussive wheezings, plus a vivid orchestral score of swirling sounds featuring bells, clouds of string the same as the accordion's electronic-like purity of sound and percussive wheezings, plus a vivid orchestral score of swirling sounds featuring bells, clouds of string the same as the accordion's electronic-like purity of sound and percussive wheezings, plus a vivid orchestral score of swirling sounds featuring bells, clouds of string the same as the accordion's electronic-like purity of sound and percussive wheezings, plus a vivid orchestral score of swirling sounds featuring bells, clouds of string the same as the accordion's electronic-like purity of sound and percussive wheezings are successful to the same as the accordion's electronic-like purity of sound and percussive wheezings are successful to the same as the accordion's electronic-like purity of sound and percussive wheezings are successful to the same as the accordion's electronic-like purity of sound and percussive wheelectronic-like purity of sound and percussive where are successful to the same as the accordion's electronic-like purity of sound and percussive wheelectronic-like purity of soun (a concert by the Royal Poll-harmonic Orchestra at which the players decisively out-numhered the audience, and one by visiting players from Tueeday'e accomplished perform-Norway and Denmark during

which one forgot the absence of audience in the face of the numbing eterility of the music) Lullaby by the latter group'e the only answer to my opening director Karl Aage Rasmussen question was. I presume me, was an arid "tombeau comand my fellow critics. Actually, not one of the Norwegian orchestral works which the RPO played under the accomplished conductor Per Dreier on Friday night would have disgraced a stan-dard orcbestral concert: a couple of them, including Thom-messen's riotous Borbaresh and

Sheverud's lively, attractive showpiece Mi-Fi-Li might not even have bored the audience on such an occasion. But easier, presumably, for the Scandinavians to provide money wherehy these pieces can be tucked away in a harmless, untroublesome gbetto concert, rather than attempt the far more problematic task of working them into the concert repertory.

A pity, for this was all skilfully-written music which made

pisiol shot at the end. Arne Nordbeim's Spur (beard at the ISCM Festivat last year) was altogether the most original piece: a concerto for accordion, brilliantly played by Mogens Ellegaard, in which the solo sound was spllt between two tone, and vigorous hrass writ-ing, made this nearly compelling listening.

The same could not be said for

ances by the Norwegian Wind Ouintet and the Elsinore Players: the British premier of memorating the raptime or early 1900." in which Per Gien, transferring from flute to niccolo to alto flute, screeched interruptions to the nianist's fragments of Scott Jonlin, Egil Hovland's Wind Onintet was a harmless niece of petter, while another R-itish oremiere. Passacaglia hy Holmereen, attempted with minimum coherence a most unfortunate cross-fertilisation of Indian tabla with Western plano. violin, cello and charinet-Ravi Shankar meets the Ountuor pour le fin du temps, as someone put rven if murchy devised for

redt atom op plands levisad lumn together a vast number of new works in the hone that some will make their mark. no introductory erticle in the programme book which might an attractive variety of orches- have belied one to place the tral noises. It would be unwise composers and their work, to to claim more for them: John Persen's CSV, Ligeti string music has taken. So for, the moanings and block wind Festival has not even allowed textures, broken by flashes of its to answer the schoolhov's flute and double-bass jazz, well-known translation of my claimed to be about politics—hut it might as well have been good?"

Greenwich

The Play's the Thing

tally, installed aggressively new carpets in the sunken har area); to restore contemporary faith in the sugar-coated Pirandello. Mr. Strachan has the useful advantage of starting with P. G. Wodehouse's version of Spiel im Schloss (1924) which, under the present title, was a great hit for the Lunts on Broadway in

The schloss in question is on the Italian Riviera, where two collaborating playwrights, with a young musician in tow, have arrived to deliver an operatta to the musician's beloved, a popular actress called Ilona Szabo. Ilona, bowever, is not a loner, and is overbeard, from heaven, through the paper-thin walls of the castle's new wing, playing a passionate love scene with a popular actor, Almady. Morel shock at Almady's outpourings (" How velvety and round it is!") is sensibly overruled by economic considera-tions, and the prospect of a glorious First Night preserved Erik de Mauny has wen the by one of the writers incorporating the lines they overheer into a "Sardou playlet" to be rehearsed, and then performed.

by the firstions duo.

The velvety object Almady is forhidden to hite is revealed. In Lord Snowdon' has accepted top award presented annually by an invitation from the members of the Greater London Arts the Act 3 rehearsal, to be a peach, and the musician's rival broadcaster or aothor who is next president. He will bold is beaten off in a gorgeously

Ferenc Molnar had a rough stage-managed exercise in proride at the National with the gressive bumiliation, starting recent revival of The Guords- with the impossible French mon and it is down to Alan proper nouns be is assigned by Stracban, the new broom at Sandor. The entire confection Greenwich (who bas, inciden of the play, in fact, is supervised hy Sandor, from the moment Mr. Strachan's beautifully paced pruduction opens with him gazing out to sea hehind a gauze traverse curtain and breaking the silence with "How difficult it is to begin a play.

Sandor is impeccably played by John Moffatt manipulating the reactions of the thespian (Julia McKenzie and Richard Coleman) with grace, charm and a telling soupcon of residual acidity. James Cossins, as his blustery collaborator, is perfect, and the musician is played by Ian Oliver, the sort Kauffmann, of fresb-faced juvenile for wbom roles like his must he manna

. The resident retainer is turoed by Wodebouse into a characteristic "Butlerine" creation, bursting to be ouestioned on his personal life and surveying the lavisb meal he serves to Sandor with the wistfully disturbing remark "My heart is in that breakfast." John Tordoff, a pleasingly eccentric ector who gives the impression of wanting to get off the stage as soon as he has set foot upon perhaps to remove the coathanger I aways imagine to be interfering with bia posture. dissects his linea with a disdainful rellsh.

MICHAEL COVENEY



Broadlands opens its history

by ANTONY THORNCROFT

Broadlands, the home of Lord Mountbatten, was opened to the public on Saturday and will remain so. The opening ceremony, held on the west portico of this perfect Palladian Georgian house with its lawn stretching down to the salmonladen River Test, mixed the formality of state trumpeters and a top-notch band of the Royal Marines with the informality of Lord Mountbatten having to lend the first visitor, his great attributed to Joseph Nollekens, nephew, the Prince of Wales, a the rightful centrepiece, laid pound note so that he could pay

good investment. Broadlanda is ago.
the quintessential bome of the English gentleman, albeit a very century style and taste the rich ope. It was basically huilt next room is something of a to the 1760s in the new classic sbock, a dining room full of Van Palladian style, its square white Dycks, four in fact bought by brick sides embellisbed with Sir Eroest Cassel, the grand-porticos both at the eastern father of the late Lady Mount-entrance and on the west, with lts sweep to the river. But King Charles I and Queen traces of the earlier Jacobean Henrietta Maria look conventions of the conventions of the still near through in some factors.

solidity Broadlands has attractive artistic and historical associations. Many of the most 18th century had a hand in its appearance. William Kent deformalising" the garden io the mld-18tb century, "Capa-hillty" Brown adding more landscaping a little later and planning the new house. Henry Holland contributing the front portico and the unusual Sculpture Hall. further contributions from Robert Adam and Angelica

For well over a hundred years, from 1736, Broadlands was the home of the Palmerston family. It then descended through inheritance, io 1939, to Edwina Ashley, who seventeen years earlier bad married Lord Louis Mountbattan. For the past 40 years it has been his country associations with the house go hack much longer-he spent his honeymoon there in 1922. The decision to open Broadlands to the public is to ensure the financial resources that will enable what is very much a family bome to pass from Lord

Monntbatten's elder daughter, the largest hooks Lady Brahourne, to bis eldest printed and bound. grandson the Honorable Norton Knatchhull. The interior of the house

contains few marvels or surprises hut is serenely true to its period, not least the Sculpture Hall entered almost immediately from the eastern portico. It contains just the kind of classical sculptures that a young man, in this case Henry Temple, 2nd Viscount Palmerston, would collect on the Grand Tour. Most are 18th century pleces made in the classical style, with a Boy on a Dolphin, out on a table designed by Henry Holland for displaying his admission. Henry Holland for displaying He prohably considered it a the collection two centuries

From this epitome of 18tb bouse still peep through in some tional np against Van Dyck's of the rooms. tional np against Van Dyck's unioue "paired" portrait of the Lords John and Bernard Sillar who both fell fighting for Charles in the Civil War. are hack to the expected in the Saloon, ornately decorated by Angelica Kauffmann and perhans too neetty for some tastes with its displays of 18th century norcelsin and "Rohert Adam" settees. One point of Interest is a tipy alcove where Sir Malcom Sargent and Noël

Coward hid themselves away,

presumably not at the same

time, to entertain the Mount-

battens with piano recitals. Elegant rooms, even when packed with Wedgwood and portraits of court beauties by Sir Peter Lely (perbaps because of the Lely's) soon numb, and it is an uplift to move from the Drawing and Wedgwood rooms into the small Library which contains two of the treasures of the house. The Iron Forge bought from the artist Josenb Wright of Derby in 1772, and surely one of his best works, and the most brillant painting in Broadlands. coronation books of the Tsars. iocluding the massive volume immortalising the 1856 coronation of Alexander II and one of the largest hooks ever to be

The Russian iofluence ie a reminder of the ancestry of Lord Mountbatten and on the K219-a capable account which

north stairs a succession of But there are still rooms portraits trace the links as far upstairs to inspect—the Portico back as Philip I of Hesse, room, where the floral chintz painted in the early 16th century, although the family comfortably discovers itself to the time of Cbarlemagne. By and Prince Philip spent their now we are coming to the more honeymoon; the Chinese Room, and prince Philip spent their now we are coming to the more honeymoon; the Chinese Room, and apply the chinese Room, and the C touch of a living museum to the more traditional furnish-lngs. There are cases of swords

personal exhibits, which add a used now by the Queen as ber work room when she visits Broadlands; and Palmerston's bedroom a relief after the and daggers presented to the ahundance of decoration, with Farl; his polo trophies; the its stark tall desk at which he bistory of his most distinguished naval career; his role in seeing through the independent of the world. It is an extensive and exhaustin seeing through the independence of the Indian subcontinued. The Mounthatten arduous when the house is as story culminates in a short crowded as it inevitably was on audio visual presentation of his life.

Elizabeth Hall

Accardo

an attractive proposition: conductors are expensive, and good conductors are expensive and fine sololst is not automatically blessed with any of them.

The English Orchestra's all-Mozart pro- hut we expect hetter from a gramme on Friday evening once-great chamber orchestra under Accardo began with a performance of the D major Divertimento K251 that cried out for a proper conductoror at least a leader with a conductor's ear and sense of direction. The Divertimento is 20t great Mozart; but if its effect in the concert hall is to he more than charming, and not mitaly narcotic, it needs above all the kind of sharp pointing dynamic shaping which Accardo. signally failed to provide. The odd, stylish ohoe solo from Neil Black was bardly animation enough-bough in itaelf splendid relief.

was the A major violin concerlo

The Italian violinist Salva- Accardo led from bis solo posltore Accardo is yet another tion, but without bloom or depth soloist seeking to hranch out to its eurface shine. At the hest his career into conducting. To of times, Accardo is not what orchestras it must often seem might be called a profound violinist; hut throughout this performance there was the suspicion that if he had been rare. But the artistic results do able to worry less about the not necessarily match the orcbestra's ensemble and attack financial gain. Conducting is a and more about his own instruspecial craft that calls for ment, particularly about his own unique and special gifts - and a phrasing, the whole affair would have been clearer, sweeter—and allogether more cleanly cut. Chamber Nothing was less than adequate:

lence. After the interval, Accardo was joined hy the viola of Bruno Giuranna for the great E flat Sinfonia Concertante Time and again matched. Accardo would make his entry, slurping phrases indecisively from one barline to the next, "expressive pausing emphasis half way between Palm Court and Kreisler (hut with the honest character of neither)-to be corrected by the warm emphasis and ahaping of The evening's centrepiece Giuranna, welcome and reliable

and a violinist of reputed excel-

ray of light. DOMINIC GILL

CRICKET BY TREVOR BAILEY

Arts news in brief

are Mary Goldring, the Analysis

Mary Goldring has won the

for Industrial Journalism the

World Tonight.

'Taking up Lu Xun's Battle Pen' (Shanghai 1975). A young militant

Two BBC radio journalists outstanding contribution to a

enter and Erik de Mauny. £750 NATO Prize for Journalism.

taries, The Grent Divide.

have won major awards for wider understanding of industry, programmes on Radio 4. They management and labour affairs.

special correspondent with The for his series of four documen-

ment to the UK journalist, Association to become

judged to have made the year's office for three years.

Early promise of young batsmen

nothing coald disguise the Although every team needs a limitations of our batting. It couple of grafters to provide limitations of our batting. It lacked class and appeal, so that most of the runs were acquired slowly, and often painfully.

Even the largest innings from the enigmatic and often dashing Randall was an exhibition of crease occupation and watchful restraint, while Gooch had to wait until the final Test hefore and too many workmanlike, producing a really impressive lanings. With the exception of the graceful Gower and the hoisterous Botham, our batting seldom excited the spectators.

surprising when one remembers. In the meantime Leicestershire who, in domestic cricket, usually plays those big spectacular knocks which, all things equal, normally decide the outcome of limited overs games. On most occasions the match. deciders will be the likes of genuine Test prospect, Tavare, Davison, McEwan, Lloyd, Rice, Gatting, Roehuck, Cook and the Greenidge, Procter. or Vivian Richards who are overseas cricketers.

is the number of young hatsmen who have been scoring heavily who can make runs. the way they have been making their runs. This sug- team who have been showing matches, while his undefeated ICC.

stability and balance, it also requires match-winning batsmen, who can dominate an opposing attack, score a century in under three and a half hours and automatically sttract crowda. In recent years England bas had too few of this calibre rather mundane performers. The first of the golden boys

of the new era, Gower, has had a disappointing start this summer but he is so gifted that runs This was not altogether will soon start flowing again. must be bappy with the considerable progress of Briers. A splendid, undefeated century hy Parker had much to do with the innings defeat of Lanceshire by Sussex and he looks a exciting Larkins have all hatted impressively. In addition all-round performances from the The most satisfactory feature youthful Marks and the more of the seasons so far, however, mature and underrated Willey indicate a surfeit of off-spinners

enough for the special require- ability. He does, of course, ments of the Prudential Cup, are Randall, whose recent 121 are Randall, whose recent 121 Test matches, which is not against Leicestershire, as his always realised. If Brearley was colleagues struggled, was not incapacitated Fletcher could profar abort of majestic, and vide a more than adequate Gooch who struck two spectacular centuriee last week in a manner that suggested more to tional.

players. Geoff Boycott is already and India later in the season superhly in all three domestic could cause a major upset. competitions is the Essex captain. Fletcher. His atroke late replacement, cannot pro- expopent of the subtle art of repertoire plus his ability to gress into the second half of clay court play, mysteriously

ALTHOUGH ENGLAND easily gesta we have found several fine form, and also possess the century in the annihilation of won the Ashes in Australia, home-grown stroke makers, ability to make runs quickly Derhyshire underlines his average over 40 in his 50-odd replacement as captain, as his tactical knowledge is excep-

There will be some most un-However, runs have certainly usual cricket on the cluh grounds not been the prerogative of just of the Midlands during the next the young hrigade of England two weeks, with the opportunity players. Geoff Boycott is already of seeing Fiji meet Canada, on his way to another highly Denmark play Singapore, Papua prolific summer. Although this against Bermuda and the U.S. was a racing certainty, whether do battle with Sri Lanka. All it results in more England caps these improbable matches are for him is less certain. It is In the International Cricket Conhard to envisage Brearley and ference Tropby which decides Boycott as the ideal opening the two countries who will partipair for a limited overs game, cipate in the World Cup commencing on June 9. The most are likely to worry our howlers prohable are East Africa. Sri rather more than our hatsmen. Lanka or Canada, but Bangla-Another veteran though desh could spring a surprise, younger than both Boycott and and with so many West Indians Brearley, who has begun living in the States they too

Wales, who bave come in as a improvise has heen one of the the competition because like who can make runs.

Two of last winter's England

Two of last wint

TENNIS BY JOHN BARRETT IN ROME

Season comes to life in Rome

of the Foro Italico, the European season comes to life today with the 36th Italian championsh ps. The modern gladiators, Vitas Gerulaitis of the U.S., Romania'a Mexico, and local idol Adriano Panatta - all past winners here -will, with 60 other challengers. fight the same dour battles on the same slow red clay courts that the legendary American,

"Big Bill" Tilden endured to

win the first championship here

in 1930. It is curious now to remember went open the Italian championdesignated Opens. Not until the following year, when John Newcombe heat Tony Roche for the title, was the field fully representative of the world's

Always, though, the partisan support of Italian crowds bas made these champlonships richly exciting and frequently controversial. In the old dave Nicola Pietrangeli, that great used to find himself in a quiet

IN THE MARBLED splendour Roman following, could usually be guaranteed.

Lately, bowever, the impartial fairness of the ATP computer rankings bas ruled out such assistance and made the task Ilie Nastase, Raul Ramírez of of the newest hero, Panatta, Mexico, and local idol Adriano more difficult. His win in 1976 ln a magnificent final against the left-handed Argentine Guillermo Vilas was thus all the more praiseworthy. It turned him into a national bero over-

Last year the same emotional crowd took a hand in events that nearly destroyed these that in 1968 when the game championships as a viable touroament. In the semi-final ahips were not one of the six Jose Higueras of Spain walked off the court against Panatta amid scenes of papdemonium.

Higueras bad won the first set 6-0, but was subjected to such a barrage of verbal and at times physical ahuse (hottle tops and colna were thrown on to the court) during the course of losing the second aet 5-7. that be could endure, no more. It took all of Bjorn Borg's considerable powers of concentration and application to weather a quarter-final against the fastthe same storm to win a boisterous final in five sets.

supported always by a rapturous be a record \$200,000 prize money mise a long painful match in another American Pat du Pre,

for the men. Many of us deplore their quarter. the fact that the ladies have held their championships apart from the men for the first time, at thia same stadium two weeks any numbers will undouhtedly cause them to reconsider next year's programme.

Significantly, Borg has not returoed. With Jimmy Connors and John McEnroe also abaent the top seed ia the 1976 finalist, Vilas. If the seeding works out he will have a quarter-final againat either Panatta or Higueras, who with a fine sense of humour fate has thrown toin the third round. Perbaps the riot police ahould ha put on standby.

The other quarter-fipal in the top half should be between Roscoe Tanner, seeded three, who has had two touroament successes already this year, and fellow American Brian Gottfried, the sixtb-seed.

In the bottom half Gerulaitis, the second favourite, is east for

Both British men competing here are in action this morning. Buster Mottram comes from a quarter-final loss to the ago. The absence of crowds in Frenchman Paacal Portea last week in Florence, hoping to hring down the tall Californian Jeff Borowiak.

John Lloyd, who has not won a singles since his inspiring Davis Cup semi-final victory against John Alexander in November at the Crystal Palace, plays Pbil Dent, the man many thought should bave been in that Australian team. Lloyd's 6-3. 6-2 loss to Italy'a Corgether for a prospective rematch rado Barazzuti, in the first round in Hamburg last week will have done nothing to restore the confidence he so desperately seeks. .

The atrongest field

assembled for the French Open.

which hegina next Monday in Paris, is threatened by injuries Although all but two of the world's top 30 players are among the 128 starters, Borg's participation is in hecause of a groin strain sustalned against Eliot Teltscher improving young Argentine Jose in Hamburg, and McEnroe's Clere, while the two Americans position is also unknown

FINANCIAL TIMES

Bracken house, cannon street, london ecap 4by Telegrams: Finantime, London PS4 Telex: 886341/2, 883897

> Telephone: 01-248 8000 Monday May 21 1979

Moving slowly on Rhodesia

rising pressures in both the British and U.S. legislatures for a lifting of sanctions against interests in black Africa. Rhodesia. In Britain, the Boyd report has come to the conclusion that Rhodesia's internal settlement elections were relatively fair. The U.S. Senate, acting on similar assumptions, has called on the Carter Administration to lift sanctions once a new Government of Zimbabwe Rhodesia, to he led hy Biahon Muzorewa, is installed at the end of this month.

The Rhodesian elections, however, remain a matter of con-troversy. A second report en them, hy the crossbench peer ord Chitnis, contradicts the Boyd conclusions in declaring the poll a "gigantic confidence trick." The truth almost certainly lies hetween these two extremes: the actual process of voting might have been rela-tively fair hut the circum-stances in which it took place -a full-scale war-manifestly were extraordinary.

Tribal

election bas undeniably the outcome of the conflict. Even with the U.S. acting in which the Rhodesia dispute concert, there would not necesthat Bisbop Muzorewa continues to command wide popular support and it has paved the way for the establiahment of e black-led Government.

Nevertheless, Britain and the U.S. should proceed with extreme caution in rethinking itself, the Muzorewa Governlately in the Bishop's party. There must also be doubts about the Bishop's capacity to govern strongly: Mr. Smith has seemed to get his way all too often during the past year of in the Administrat sharing power with the black lngs with Congress. politicians—and Mr. Smith is At the same time. likely to remain in the Bishop's

considerations. The unitateral lifting of sanctions would lead mour, the Lord Privy Seal, has to a head-on clash with the UN announced that Britain is making plans for "continuing consolint move by Britain and the U.S. could place those countries was it is to be borded that this in the invidious position of will be attempted with all the in the invidious position of will be attempted with all the belonging to the same camp as parties involved.

LORD CARRINGTON and Mr. South Africa. It would impose Cyrus Vance meet today amid great strains on the Commonwealth, and it could seriously jeopardise Britain's trading

Moreover, a lifting of sanctions would not stop the war, which is being waged across Rhodesia with ever-increasing ferocity. On the contrary, it could encourage the Soviet Union and its allies to become far more deeply involved on the part of the Patriotic Front

The Patriotic Front, which haa showed as little willingness to compromise in its pursuit of power as the Salishury-based nationalists, is still far from a victory on the battlefield. The unity between its two wings— one loyal to Mr. Nkomo end the other to Mr. Mugabe—remains extremely fragile, despite a new co-operation agreement reached Addis Ababa. Nevertheless, retains the full backing of hlack Africa.

Britain, therefore, bas to recognise that no unilateral move it makes towards the lifting of sanctions or recognition Whatever its failings, the will make much difference to nanged the whole framework Even with the U.S. acting in which the Rhodesia dispute concert, there would not necesseen. It has demonstrated sarily he much impact. That would need a joint move by the West, and there are as yet no signs that Britain's EEC allies care for Mr. Smith's settlement.

Confidence

It is therefore a welcome development that the new Contheir policy. Inside Rhodesla servative Government bas left open the possibility of leaving ment has yet to show that it is consideration of the sanctions a credible, going concern. Deep question until after it has contribal divisions have surfaced sulted the Commonwealth at the Lusaka conference in August. It would help if Mr. Vance returns to Washington from his talks with Lord Carrington determined to show a similar resolve in the Administration's deal-

At the same time, It is important that Britain and the U.S. There are also international all parties to the dispute to the conference table. Sir Ian Gil-

More muscle for defence

Government has been busy re- defence departments will now affirming ils piedge to put put the infrastructure progreater emphasis on defence in gramme into high gear, and the fortnight it has been in come back later if they need office. One of its first specific more. Whether or not the 3 per actions was to fulfil a campaign cent target will be met between promise to hring forward pay now and 1986 will depend on increases for the armed forces. economic, as much as political

At a more general level, Mr. clauses for countries in economic difficulties—but at the Francis Pym, the Defeoce Secretary, last week reassured hia NATO colleagues that the UK whuld play a positive and central role in the difficult military decisions now facing the alliance, and Mr. Keith Speed, the new Navy Minister, has apoken of a growing British marilime role. The Conservative manifesto for next month's Enropean elections repeats one of Mrs. Thatcher's vaguer suggestions that there should be closer links between NATO and tbe EEC.

NATO Ministers

understandahly, Perhaps given the complexity of the issues involved, none of these hroader objectives has yet been spelled out in detail. But Mr. Pym's overall approach appears to heve heen generally wel-comed at last week's Brussela spring meeting of NATO De-fence Ministers, and Lord Carrington, the Foreign Secre-tary, will have a chance to pursue the theme at the Alliance's Foreign Ministers' Council in The Bague next week—at a time wheo NATO Governments are showing mounting and genuine concern. at the Soviet military build-up. Warnings about the growing power of Warsaw Pact forces have become part of the NATO ritual. But most Allied Governments now perhaps more than of last week's meeting was the ever are trying to get it across emergence of a new joint that they actually mean what they say. What is required on the Western side, in the works of last week's Defence Ministers' communiqué, is a moderate but firm response.

Two elements of the Allied response came last week. The Ministers extended the period in which they aim to increase defence spending by 3 per cent a year in real terms well into the 1980s—an undertaking which Mr. Pyni said a Labour Government would have been have bad a better chance to are putting tremendous pressure

Western Europe for rapid reinforcement from the U.S. in missilea made the maintenance of a British "strategic" strike as Washington had hoped for.

Western Europe for rapid reinforcement from the U.S. in missilea made the maintenance of the mew medium-range cancel the bonking."

"Making Skylah's Re-entry businessmen who have settled in North Wales since the days manoeuvres being considered of Lloyd George will take all the told me on the telephone by U.S. space officials will this.

developments—there are escane

moment the Alliance as a whole

seems to be roughly on target. The Allies have not, however, rhe Allies have not however, yet solved the most urgent task feeing them, which is to find an answer to the growing destructiveness of Soviet nuclear weapons largeted at Western Europe, especially the intermediate range SS20 missile, that have so far been excluded from the SALT excluded from the SALT

Mosi Weslern Governments are agreed on the need to modernise the alliance's nuclear forces, and increase their range, in response. The problem is to convince public opinion that the installation of expensive new nuclear weapons on West European territory is really necessary. It is, quite correctly, seen as vitally important to avert a repetition of the neutron bomh fiasco and reaffirm that the West is still colitically capable of reacting to a new military threat from the East.

Polaris

In this respect, the change of Government in Britain bas made two things more likely. The first is mat the UK will agree to station some of the new weapons—probably Cruise missiles—on Braiah soil. Une of the most important results Anglo-German resolve to pusb the modernisation programme

through. The second is that the British Government will now pay serious attention to the longer-term question of whether, and if so how, the UK is to remain a strategic nuclear power when the Polaris submarine force becomes obsolete in the 1990s. A decision is unlikely to be taken before next year. By then, the Government should unable to give—ano they rate or assess public reaction to the on the local management," I belatedly agreed on a new introduction of new nuclear was told by an aggrieved G and weapons—in the light of the programme.

Most unions do modernisation programme. The mnney, which will be Equally, of course, it might spent largely on prenaring conclude that the introduction

A bigger role for New York in world financial markets

BY STEWART FLEMING in New York

OUR YEARS ago, New York City was hovering on the brink of bankruptcy. the brink of bankruptcy. Today, while many would argue that its finances are beld together by hits of thread. New York's property market is booming, its hotels are full of foreign businessman and it is rapidly expanding its role as a rival to London as an international financial centre. The political thrust behind

the development of this international financial role can be seen in the concern of the Governor, Mr. Hugh Carey, about whether Miss Murie Siebert, New York Controller of Banks, will approve the Hnng-kong and Sbanghai Bank's bid for control of Marine Midland Bank. It can be seen, too, in the enthusiasm with which both the Governor and the State legislature pushed through legislation to create an international insurance market in the city and to give banks tax hreaks as e help to establishing an international hanking

zone in New York. That issue now awaits Federal Reserve Board approval in Washington before it can proceed, since it requires the Fed to waive reserve requirements on the international banking business. There is opposition to the concept from other states with important banking markets which fear that New York's gain may be their loss.

Whatever the outcome, however, the past five years have seen major changes in the city's international banking husiness which beve put it firmly on the road towards an enhanced world role in international finance.

One of the most striking developments has been the growth of foreign banking. Most of the major international banks now heve New York offices. There are 125 foreign banks represented with assets of over \$80bb—in 1972 the figures were 53 foreign banks with assets of

foreign banks have The already made a significant contribution to the development of New York's financial markets and particularly to the spectacular growth of its foreign exchange market. Senior bankers estimate that the volume of foreign exchange trading in New York has increased five times or more the beginning of the decade

The rapid expansion of foreign exchange trading in the city is itself evidence of the growing importance of New York in world france. An examination of the forces which have led to the foreign exchange market's expansion also pro-



Miss Muriel Slebert (left), New York Controller of Banks, and State Governor Hugh Carey who shows concern for the development of the city's status in world finance.

centres, and not just service centres to meet customers' needs. Dozens of other banks in the city - and the numbers are increasing monthly - are also trading actively on their own hehalf as well as for

There has also been a rapid expansion in the foreign exchange broking business-so rapid, in fact, that one hears complaints that the service being offered is sometimes less than perfect and comparisons are made with developments in London in the early 1960s. Whereas the New York Foreign Exchange Brokers Association had only 15 members in 1967, today there are 250. The largest of the 11 broking firms eech has around 60-70 foreign exchange traders. Several have links with Enropean broking businesses or are the result of mergers between European and U.S. firms. One of the largest brokers, Lasser-Marshall, is a case in point, being controlled by M. W. Marshall, the UK money broking firm.

Global money management

The expansion is in part a reflection of domestic changes in the U.S. but also the result of shifts in the structure of inter-

About balf e dozen majer 20 traders who deal in the Morgan Guaranty. Citicorp last banks such as Morgan Guaranty domestic U.S. money markets year earned foreign exchange Trust and Citibank have made for funds, 20 who trade Euro-trading profits of \$174m and major commitments as per-currencies in the name of the Morgan \$56m.

manent market mekers in New hank's Nassau hranch, and six With the weakness of the mentally changed how the York with the aim of establish who trade honds for the hank's dollar, multinational corporation market operates. Until last, ing foreign exchange profit own portfolios. As well as tions in the U.S. have become year, convention—some say a convention—some say a attending to customers' foreign exchange needs, this group helps to find the \$3bn-ibn the bank must roll over each day to meet its needs for liquid funds.

There are several reasons for integrating these money market and foreign exchange functions.

A key one, however, 'a the internationalisation of the markets themselves. As Mr. Ernst Brutsche, seoior vice-president of Citicorp, puts it: "Money markets have become very international and inter-related. Ten years ago national markets were isolated hy capital restrictions. Today the world is more homogeneous end markets react more to domestic developments, in part because of the dramatic improvement in

communications. These changes have, of course, affected the whole world. But which have fostered the growth of New York's foreign exchange market. In the early 1970s, U.S. capital controls were lifted clearing the way for what one senior official sees as the virtual integration of the world's biggest international money market, the Eurodollar market, with the biggest and most important domestic market (because of the tole of the finally, New York has not dollar), the U.S. money market.

At the same time of course official regulation. While the the dollar has become a more Federal Reserve, the U.S. cenattractive currency for foreign exchange trading because of its

With the weakness of the more sensitive about their foreign exchange exposures hecause of accounting rules and hecause they have increasingly been denied the privilege of always conducting their inter-

Multicational corporations bare also been more concerned about managing cash resources and this, some bankers say, has led many companies to concentrate this function in beadquarters in New York. In dealing with such customer

needs. New York has a number of edvantages apart from wellestablished reletionships with the companies. As the world has moved towards a 24-hour foreign exchange trading market. New York has emerged as the major market which is open when both the European and there are more specific factors Far Eastern markets are closed. Unlike some of the continental European centres, New Yorklike London—also has a tradi-tion of trading several of the main foreign correncies. The tendency in Europe, at least until the European Monetary System was launched, was for a centre like Frankfurt, for example, to emphasise Deutsche Mark dealings.

official regulation. While the tral hank, bas not encouraged factors which are leading to an have made global money manenhanced role for New York in against a reality.

Just bow important a foreign such as Mnrgan Gueranty, Citi
strange training necause of its to growth of the market in the missions are now negotiated volatility and more recently the same way as the Bank of and from the end of September to the steady fall in its price, until the trols on who may or may not free to operate internationally.

Just bow important a foreign such as Mnrgan Gueranty, Citi
last November to support it. last November to support it. deal or broke in foreign ex-An indication of the exteot change and the absence of rigid

gentleman's agreement' tween the banks and foreign exchange brokers—had led to the evolution of restrictive practices which governed deal-The hrokers were paid national transactions in the fixed commissions on deals, for example, and in turn they restricted their hroking to the U.S., which ensured that the banks' relationships with foreign banks abroad were not

Fat on fixed commissions

To the consiernation of some of its peers, and of course to the brokers, about May of last year Cltibank tired of this cosy arrangement. There had been grumbling among the banks that going through brokers. limited their flexibility and, of course, the brokers grew fat on fixed commissions as the volume of trading expanded.

There had also been a growing realisation that: whatever the practical; advantages of the agreement, it was something which the U.S. anti-trust authorities might find peculiar. In fact, a Justice Department. investigation is underway now, ironically just as market practices bave been transformed.

Following the Citibank initiative, the "gentiements agreement" was torn up. Comfree to operate internationally. Clearly, too, changes in the inevitably, there ere concerns regulation of the Euromarkets

and bank foreign exchange profits soared. Washington's curiosity, not unnaturally, waxed. The controversy surrounding allegations made by a former Citibank employee. David Edwards, about the bank's trading in Europe has also caught Washington's eye. The foreign exchange marketshave been interested, too, with one senior banker remarking privately that the controversy baa "blown the lid off" foreign exchange market practices which are likely to prove controversial.

Citibank has denied—and supported its denial by publish-ing the results of a lengthy internal investigation—that it illegally transferred profits from one country to another in foreign exchange dealings, although it conceded that there might be tax challenges to particular transactions.

The case has alerted governments to the potential in the foreign exchange markets for transfer-pricing money,". moving money at artificial exchange rates hetween countries
—a practice which could be
employed to move tax burdens to low-tax centres.

Inevitably these investiga-tions and controversies have stirred up fears that the market might face new regulation. There are some senior executives who wonder wbether it Federal Reserve, for example, played a more active supervisory role in the way in which the Bank of England does in London. They worry that without such supervision the market might become prey to illicit practices which, they say, take place in other centres. top executives argue that it is up to the banks and brokers fo ensure that this does not bappen.

In spite of the rapid growth of the New York market senior bank officials are unanimous that it has some way to go hefore it becomes as attractive e market as London. They point out for example that it is primarily a spot market and that does not have the breadth or depth of London particularly in terms of forward trading or currency swaps for forward

One reason for this appears to be the ambiguous attitude of the Federal Reserve towards U.S. banks taking Eurocurrency deposits which are in any event also subject to U.S. reserve requirements. In this respect bopes are pinned to the proposed international free banking zone proposals before the Fed or on tha reform of the which are under discussion in Washington.

Clearly, too, changes in the exchange market New York is bank bas opened a new trading. An indication of the extended becoming can be seen in the from this year at its Park to which foreign exchange manpower and money being Avenue heedquarters where trading world wide bas become committed to the husiness and domestic end foreign dealings a profit centre for some banks their rewards that have been are integrated. Alongside the lies in the earnings stale the New York market has not reaped:

The integration of the Euromarkets within the brokerage concerns regulation of the Euromarkets within the brokerage on the prokers of the banks best munity that commission created room for expansion.

Nevertheless, the growth of the business concerns regulation of the Euromarkets within the brokerage on the prokers and the absence of rigid dealing limits on the banks best munity that commission within the brokerage on the prokers and increased competition will market. As bankers in the city of the business of the New York market has not been painless.

The "gentlemap's agree on the Euromarket within the brokerage on the prokers of the Euromarkets within the brokerage on the prokers of the banks been munity that commission created room for expansion.

Nevertheless, the growth of the business and increased competition will market be within the brokerage on the prokers of the brokerage of the prokers of t Nevertheless, the growth of the New York market has not been painless.

As the volume of foreign exchange trading ln New York has grown. stresses bave emerged which bave funde
The weak out of the busimoves on these issues they are hopeful that the decisions to be taken will be made with their interest, and the opportunities for the future development of New York's business, in mind.

MEN AND MATTERS

Bad blocd on

the seafront

The conference season is here again, and with it the trade unions annual difficulty of finding not only accommodation in favoured seaside resorts, but accommodation in which they feel politically at ease. The problem has loomed somewhat larger this year than before. . .

The reason for this is thet the General and Municipal Workers Union recently published and circulated—for the first time a list of union-recognising hotels. Fellow unionists are expected not to stay enywhere else. "It's called the Fair List," a G and M spokesman told me. (In an industry with so many immigrant workers, "White List" was ruled out as "tact-

hlack list-in-reverse This excludes the Trust House Firte chain (chairman Lord Thorneycroft), which does not recognise mions, EMI-apart from the Tower Hotel in London—and Ledbroke's both for similar offences. In fact, nearly all Britain's hotels are conspicuous by their absence. The list names few more than 500 hotels where e union brother can with clear

conscience rest his head. First of the season to run into trouble is the National Union of Public Employees. Despite a series of werning shots from the G and M, the NUPE executive was over the weekend ensconced in the fourstar Crown Hotel Scarborough. Comfortable and well-run it may be, but to-the chagrin of of industrial action has been in

the air for months.

The Transport and General list . We wrote to NUPE back Everly Driscoll, and put out by In November to ask them to

Actually, Mr. Healey was

quite surprised hy cupboard too."

that he "had it in writing" that the G and M were "quite happy for us to be here." He would, he said, be "talking to" the management about its

I was not able to reach David Basnett, his opposite number in the G and M, to get to the bottom of it all. He himself was, of course, staying at an approved hotel during his own conference in Torquay-the

Coming down

At the American Embassy in the G and M it does not London, every effort is being recognise the union; the threat made to look on the bright side about Skylab. The 79-ton space vehicle is due to re-enter the earth's atmosphere in the second half of June at 23,000 miles an honr, showering a year, and it will be through a wide area.

An article written by one a good event for me ...

increase the chance that the

NASA has not yet approved the "Mershall-Johnson plan"named after the engineers con-"Some doubt it will work." However, there is a month to go before you need to start searching in the attic for dad's Home Guard tin hat.

After Saturn

It is not every Euro-candidate who uses a PR com-pany to help outh his or her pany to help oush his or nead campaign along, but then not connell and Douglas Sutherland, everyone is "a remarkable compoint authors of a racy volume bination of political personality, on Doctor Sevundra (out today author. European, interfrom Hodder and Stoughton) author, traveller and composite traveller and compos municator, with unusual talents as a Political Astrologer." ful architect of Fire, Auto and Marine Insurance, the brilliant

Saoly this Augustan character, one Ms. Wyn Ellis, has not had enough time to work out the horoscope for a more trivial matter which inhas not had enough time to Savurura is used.

work out the horoscope for a guore trivial matter which interested me, the future of Mrs.

Thatcher and her Government years. One of them, despairing But she tells me they are "set of getting his way in the courts, for a reasonable period: Mrs. even sent a cheque for £20,000 Thatcher's bornscope for the last election was excellent, and I was convinced she would do tain reference exclsed.

as Ms. Ellis, who elso finds time to be political correspondent of Harper's and Queen magazine, went on to tell me she took comfort in the stars for her own campaign as a Liberal in North Wales. The influence of Virgo and Saturn having given the Liberal Party, apart from David Steel, a rough time in the 10th no one in a shipping office goes House, things were now on the out and sees if there is really move again, she assured me, e cargo. And no banker goes "In my case this particular out to see if there is really a change has been taking about ship." chunks of metal at random over by the time the election takes place. I know it's going to be

It is tempting to speculate the embassy, is boldly beadlined on how the earthy Manchester

But I am told by Ms. Ellis' bits and pieces will fall in the PR compeny: "Today no eye-sea somewhere. But, admits brow is raised as scientists Driscoll, there is no guarantee. throughout the world look into lelepathy, psychotronics (the technology of mind power through hyperspace), demalcrialisation, psychokinesis (moving objects hy mind power), and teleportation (split-second transfer of e person from one place to enother)."

Buying silence

Writing e book on a conman Marine Insurance, the brilliant scheme to sell paople worthleas pleces of paper at e cut-price. Savundra is dead.

to pay for pulping all copies and reprinting the book with a cersent it back," saya Connell, with I bad to be content with that a hint of wistfulness in his voice.

Both authors consider thet Savundra might well hava escaped the law for much longer if he had stuck to what he was doing at the beginning of bis career—shipping fraud: "In shipping all that matters is the bits of paper. If they look right

Sure sign ...

Overheard in the City: "You can tell the chalrman is losing his grip-the yes-men are only nodding these days."

EXERCISE CONTROL MINITOR® Pulse Tester To be physically fit all you need is to take regular exercise at the optimum level for you. By monitoring your nulse rate you are able to check on your physical improvement, through knowledge of your pulse recovery rate and avoid the risk of overstraining. 1" x 2" x 4" About the The Minitor is a light, hand held same size as simple to use instrument, made in the cigarette pack you've. West Germany, which gives you e rapid digital read out so that you thrown away may monitor your own heart rate when you jog, swim, walk, etc. Also available, larger model for installation in Gymnasia, Training Rooms etc. For further information post your business card to:-

LRE RELAYS&ELECTRONICS(UK) LTD

FINANCIAL TIMES SURVEY

Monday, 21st May, 1979

WORLD BANKING

PART ONE: PART TWO WILL APPEAR TUESDAY, MAY 29

Renewed threat inflation

By Peter Riddell Economics Correspondent

THE ECONOMIC prospects of main industrialised significantly since last autumn. The main reason is the unexpectedly sharp rise in oil prices and the partly consequent re-acceleration of inflation in most of the 24 countries of the area of the Organisation for Economic Co-operation and Development (OECD).

Last autumn at the annual meeting of the International Monetary Fund (IMF) in Washington one experienced central banker remarked that It was the first international meeting he had attended for over four years which he had left feeling more optimistic than when he arrived. He is much

The main objective between 1976 and the end of last year was to secure a more even distribution of economic growth and of current account balances within the industrialised world. of 1978 and an annual increase now that the so-called problems of only 2; per cent in the rest of the oll-producer surpluses of the OECD area: This imbalance resulted in both a sharp in Rambouillet.

By late last autumn there were at last signs that this objective

The case for "eautious optimism" was summed up by M. Emile van Lennep, Secretary-General of OECD at the IMF look for the industrialised countries as a whole was, if not for much faster growth, then at least for much better balanced growth between the countries. Moreover, for the first time since the early months of 1976 demand in many of the industralised countries apart from the U.S. might rise strongly enough up to early 1980 to begin to reduce nnemployment and spare capacity. Most developing countries also appeared to have come through the period of faltering recovery better than might have been expected.

developing countries were reflected in a rise in their cur-\$20bn from \$35bn. The main benefit was felt by the industralised countries whose deficit of \$24bn in 1977 was almost U.S. deficit. The improvement was concentrated on Japan. France, West Germany and

Contrast:

trialised world were reflected in the contrast between an annual average rise in domestic demand in the U.S. of 5 per cent in the 18 months to the middle rise in the U.S. current account deficit up to \$161bn last year and a sharp drop in the value Puerto Rico, London and Bonn. of the dollar from mid-1977 on-

was within reach.

The problems of the non-nil rent account deficit from \$24hn to \$31bn between 1977 and 1978. At the same time the oil exporters' surplus fell by over eliminated despite the higher

Imbalances in the indus-

Just when most national economics seemed to be emerging from the worst of recession, they face the prospect of a renewed bout of inflation as oil prices go up again. For the financial community, domestically and internationally, another testing time could lie ahead.

CONTENTS

·	Page	†	
orld Liquidity		Interest Rates	-
rrowing instruments	11	Sweden	
ropean Monetary System .	- 111 .	Norway	
ernational Monetary Fund	. IA	W. Germany	
ld	Į¥.	France	
ndicated Loans	ΥΥ	Italy	
pject Finance	ΥΥ	Belgium/Luxembourg	
omarkets	٧i	Switzerland .	
		Damank	

Portuga

Netherlands

Huwever, M. van Lennep effects of the depreciation of the dallar caupled with some-what slower growth in the U.S. should begin to have a favourable effect on the U.S. foreign trade balance and help to strengthen the dollar. At the same time there were

more solidly based hopes of tries-down from 111 to just under 9 per cent for Western following two months. Europe as a whole. The cumulative impact of the various expansionary measures taken in 1977-78 in West Germany and Japan after the series of conomie summits may also have made a contribution.

Consequently M. van Lennep was able to project an annual rate of Increase of ilomestir demand of between 4 and 5 per

area in the 18 months to early side the U.S. . There should also hoped that from late 1978 the 1980 compared with expansion be a slight reduction in the of around 3 to 31 per cent in overall rate of inflation. But

The bopes of a stable dollar were not immediately fulfilled and it required an intense crisis President Carter stepped ln on November 1 with a major package. This involved both a siggrowth In Western nificant tightening of domestic Europe following a slowdown in monetary policy and various the annual rate of coosumer credit facilities which financed price inflation in many coun- several billion dollars of intervention by central banks in the But the initial signs of a

recovery in the dollar and evidence of some convergence of economic performance meant that the end-December OECD Economic Outlook was able to say that the prospects for 1979 had changed in many respects July. Although global growth

cent in the rest of the OECD in 1978, it would be faster out- in contrast to the decline In there was a warning about continuing high unemployment and excessive dependence on oil

Marked

These hopes were soon undermined, however, by the first in what has proved to be a series of large increases in crude oil prices and by the impact of the franian revolution. A rise in oil prices of probably more than a fifth this year is likely to add at least between 1 and 11 per cent to the inflation rale in the OECD couotries as a whole; the countries likely to he worst Netherlands.

The rise in oil prices bas for the hetter since the previous, also been matched by sharp rises in the prices of other the current account balances was likely to be no higher than commodities, notably metals- of the heavily energy-dependent

such prices in 1978, Moreover, have also been mounting, with a pick-up in the rate of carnings growth in many industrialised has been a marked acceleration in the rate of consumer price inflation in the OECD area up to a double-figure rate in

France, Italy, the U.S. and

the UK. This bas led to an upward revision by several forecasters of the projected rate of consumer price inflation for the OECD area as a whole in 1979. Instead of a decline from 63 to 64 per cent this year, as projected by OECD last December, several leading forecasters are now projecting an acceleraaffected are Japan and The tion to a rate of more than 8 per cent during 1979.

The rise in oil prices has also had a major impact on

economies such as Japan and West Germany, as well as further raising the deficit of the non-oil developing countries, possibly up to around \$40hn. While the net effect is to increase the aggregate deficit of industrialised countries, the differences within the OECD area are expected to continue to narrow. Thus the U.S. deficit should decline, though not by

as much as was originally hoped —down by between perhaps 84hn and 86bn. At the same time the West German surplus should decline

and there could be a sharp reduction in the Japanese surplus. In contrast there could he a slight improvement, or at any rate no significant deterioration, in the UK position as a result of rising North Sea oil

This has been reflected in the pattern of exchange rates as the Japanese yen has fallen sharply after its earlier large appreciation. The yen has dropped by 8 per cent against the dollar since early January. Otherwise the foreign exchange markets have been relatively quiet, with a small appreciation in the dollar but a slight weakening in the D-mark.

The response tu the rise in oil prices and a possible re-acceleration in inflation has heen a tightening of monetary policy in several major countries. Interest rates have been increased in the U.S., West Germany and Japan (for the first time sioce 1975). In West Germany the Lomhard rate has been raised by one point to 5 per

The result of this tightening policy and a re-acceleration of inflation is likely to be a slowdown in the rate of growth In the first few months of the year production was buoyant in most of the major countries, though the measured by Gross National Product, did at least slacken in

There is disagreement among economists about the degree of any further slowdown, depending on the extent of any rise in personal savings from low-levels and on the scale of the decline in housing starts and business investment,

Mr. Michael Blumentbal, the U.S. Treasury Sceretary, expects real growth this year to be between 2 and 3 per cent, compared with 4 per cent in 1978. The private sector view, as represented by the Business Cuuncil of senior executives, is that the U.S. ecocomy is heading for a recession more significant than at first appeared earlier this year. But the downturn should be relay tively mild and short-lived.

The slowdown in the main less marked in the second balf of this year and with the exception of the UK their rate growth in 1979 should be slightly higher than last year. Unless the rise in inflation is contained there may be little prospect of any real improvemeni next year.

Consequently the theme of the forthcoming world leaders' likely to be different from previous meetings. There is likely to be less talk about the need a selective hasis, and much more concern about agreeing detailed policies on energy, aimed particularly at reducing the dependence of the indusworld on imported Iralised

fuel. nition among many of the leaders that further expanslonary action might prove self-

BNP Group

Banque Nationale de Paris, France's leading commercial bank, has an international network extending over sixty-eight countries.

Wherever you do business we are there to help and advise you.



Argentina · Australia · Bahamas · Bahrain · Belgium · Brazil · Burundi · Cameroon · Canada Chad · Calambia · Cango · Costa Rica · Djibauti · Egypt · France · French Guiana Gabon · Gambia · Germany (Federal Republic of) · Great Britain · Greece · Guadelaupe Haiti - Hang Kang - Hungary - India - Indanesia - Iran - Ireland - Italy - Ivory Coast Japan · Kenya · Korea · Lebanan · Luxembourg · Malaysia · Martínique · Mauritius · Mexico Monaca · Marocco · Netherlands · New Caledania · Niger · Nigeria · Narway · Panama Philippines · Paland · Partugal · Reunian · Rwanda · Senegal · Singapore · Spain · Sweden Switzerland · Thailand · Togo · Tunisia · USSR · USA · Upper Valta · Venezuela · Yemen · Zaire

BNP Group



Banque Nationale de Paris

Head Office, 16, Boulevard des Italiens, Paris 75009, Tel: 244-45-46 Tlx: 280 605 — 2000 branches in France

U.K. Subsidiary

Banque Nationale de Paris Limited

8-13 King William Street, London EC4P 4HS. Tel: 01-626 5678 Tlx: 883412

Another successful year for Credito Commerciale

Net profit for the year Lit. 4.897.083.040 (increased by 21,10%): Lit. 1.800.000.000 to the shareholders Lit. 3.000.000.000 to the Ordinary Reserve.

Dividend per share: Lit. 180 (last year: Lit. 150 p.s.).

Customer's deposits amounted to Lit. 1.632.367.034.821 (+ 23,50%) and advances to clients rose to Lit. 704.022.373.690 (+ 18,30%).

All sectors achieved good results: secu-rities turnover showed a profit of Lit. 12.938.000.854, foreign activities were further improved and figures regarding foreign exchange transactions' profits were Lit. 1.285.362.551.

Documentary credits, endorsements, gua-rantees and acceptances continued to grow and totalled Lit. 144.435.818.166.

The bank is net supplier in the interbank markets.

Personnel: 1622 people were employed in 1978 (4 7,7%).

It has been and it is our policy to increase our domestic and international activity by holding our services entirely at the disposal of our clients, and giving all matters our highly personalized attention.

The majority of our shares has been recently taken over by "Monte dei Paschi"

Chairman: Mr. Cesare Panizza Vice Chairmen: Mr. Edoardo Catellani Mr. Alberto Falck General Manager: Mr. Giuseppe Lazzaroni. Chief Foreign Manager: Mr. Raimondo Eruzzi.

Old tradition, modern banking.

HIGHLIGHTS OF OUR BALANCE SHEET FOR 1978:

AND FUNDS

<u> </u>	(in billi	on Lit)
DEPOSITS AND LIABILITIES customer deposits due to banks others	2.2 2.2 2.3 2.4 3.4 4.4 4.4 4.4 4.4 4.4 4.4 4.4 4.4 4	1.632 267 204
LOANS customers due from banks at sight others compulsory reserves with Banca d'Italia.		704 164 429 231
GOVERNMENT AND OTHER SECURITIES		641
CAPITAL. RESERVES		•

CREDITU GOMMERCIALE

Solve this money problem. Then let us solve yours.











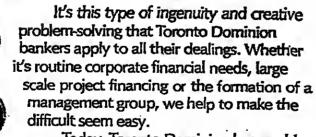
Creative problem-solving. That's the banker's art, as practiced at Toronto Dominion.

To show you what we mean, we've arranged coins from 10 of the countries in which Toronto Dominion does business in the form of a lop-sided cross.

The challenge is to create a symmetrical cross, containing six coins in each row -by moving only two of the coins.

Having difficulty? Then free yourself from all self-imagined restrictions. Once you do, voilà! The solution is immediately evident.

All you have to do is shift the coin from the bottom of the vertical line to the position on top of the centre coin, and move the right-hand coin in the horizontal line to the left-hand side.



Today, Toronto Dominion has worldwide assets of over CAN \$23 billion, and a global network of more than 1000 branches. offices and affiliates.

Toronto Dominion. We have a proud record of partnership with corporations, banks and governments around the world.

A record characterized by the creative problem-solving abilities that make banking



TORONTO DOMINION BANK

where people make the difference

Head Office - Toronto-Dominion Centre, Toronto, Canada M5K 1A2 Regional Office-Europe, Middle East and Africa: St. Helen's, 1 Undershaft, London,



WORLD LIQUIDITY

Borrowers' market prolonged

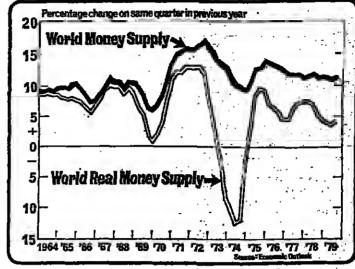
A U.S. Treasury official stated last week that the expected increase in OPEC balance of payments surpluses to the order of \$30bn would necessarily entail a large further expansion of international credit, inter-mediated mainly through the Euromarkets. This is of course very likely to prove true; and if oil prices rise still further in October, it may prove an understatement.

However, it has an implica-tion which is not true at all; for it seems to suggest that some kind of monetary explosion is implied in a dislocative rise in nil prices. This is almost certainly the exact reverse of the truth. The "flood of liquidity" experienced in tha Euromarkets bears no necessary relation tn domestic money development; increased international horrowing is a brake on world growth, not a stimulus.

The world has half-learned these truths. After the nil price rise of 1973, the warnings from the OECD that the results would be sharply deflationary in real terms were largely disbelieved in the financial markets, where operators were mainly aware of the enormous potential growth of international credit.

Believed

This time round, forecasts of recession are readily believed, but apparently contradictory forecasts of a further explosion in world liquidity are believed equally. Those concerned with the real economy call for stimulus—or perhaps on this occasion for a retreat into pro-tectionism. Those mainly concerned with money warn of the need for restraint. As a result, policy has a more deflationary bias, and although the oil price shock is much smaller in real terms than four years ago, the threat of recession may be



rise in OPEC Euro-deposits Euromarket "explosion" clearly suggests a prolongation recent years.
of the borrowers' market which The reason has persisted in recent years, tribution of the Euromarkets to which, against a background of rapidly rising measures of the trivial. The gross size is now gross size of the Euromarkets approaching \$900bn, and the so-(now approaching \$900bn) has been called a "flood of

whelmingly likely, and an by Mnrgan Guaranty and by the increase in OPEC deposits a U.S. Fed to net out all that certainty, many people will take should be omitted—other banks it for granted that the growth and other forms of double-countof the total Euromarkets will again reflect the subjective feeling of surplus funds; but this cannot in fact be taken for of Euromarket growth in recent granted. The often repeated truth that the Euromarkets are largely an offshore extension of domestic banking systems does not mean that they are an of foreign currency reserve extention of domestic monetary holdings. The major cause of systems. This can be seen in a this growth bas not been the negative sense from the charts surpluses of OPEC countries. of the world money supply, on

The reason is that the connet liquidity has been relatively called net siza is approaching \$500bn. But in this calculation, liquidity." only transactions between Since the persistence of a reporting banks (a part of the borrowers market seems over-whole) are netted out. Attempts ing - produces a "net net" estimate of little over \$100bn.

In fact, the major counterpart years has not been a growth of commercially-available credit, working through to money supplies, but the explosive growth but of Germany and Japan. The hock is much smaller in real the rather complicated comcombined effect of their large
arms than four years ago, the prund formula used by the current account surpluses has
hreat of recession may be
London Business School, over been to increase enormously
the past decade. There is their attraction as reserve holdA recession accompanies by virtually no reflection of the ings, while reducing their

availability, the central banks have until very recently chosen to meet this demand by heavy interventions in the currency markets. Since perther Germany nor Japan has encouraged foreign deposits in their own systems, the mark and yen liquidity acquired in this way has been built up in Euro-

Replay

However, the replay of 1974 is taking place in very different circumstances. It follows a period in which world monetary growth in real terms has been restrained rather than excessive, and after a major realignment of exchange rates—a realignment reversed in the case of the

If current forecasts for real world growth are right, it can be taken for granted that monetary growth will remain quite restrained in nominal terms and possibly again negative in real terms; but this does not necessarily mean that Euro-market growth will slow down. That depends much more on tha investment preferences of depositors and the denomination of borrowing demand. With turn-round already apparent in the U.S. current account, and a considerable flow of long-term investment to that country, it seems quita possibla that there will be much less demand than in the past for the transformation function of the Euromarkets — turning dollar debt into hard currency assets. But in a depressed world, attractive lending opportunities are still likely to be scarce. So the statistics may present a picture of a sluggish or even a

Anthony Harris

shrinking Euromarket; but

bankers in a borrower's market

will still puzzle over the flood of liquidity which is depressing

BORROWING INSTRUMENTS

Increasing

instruments available to governments and companies.

Ten years ago the Eurobend market was already in full swing with well established international issuing procedures for convertible and straight debt in U.S. dollars, and for long-term debt denominated in several other currencies or quasi-currencies such as the German mark, tha Swiss franc, the Dutch guilder and the European Unit of Account.

of borrowing opportunities has, in fact, fallen since then—convertibles are a much rarer fidence in the dollar was shaken operation while raising long in a way which has been surtern straight (ebt is much more prisingly absent in the last year difficult than ten years ago. But of currency upheavel. in general, not only has the availability of funds increased dramatically for the international borrower (even after allowing for inflation) but the choica of instrument is much

Guide

The accompanying table lists ome of the currencies which have been most commonly available to borrowers recently. It also shows the usual limits on the maturity of money availabla in each currency together with the approximate interest cost. The figures given are at best a rough guide and should not be taken too literally. Moreover, there is a plethora

of other currency options available though seldom used by comparison with those included in the table. Thus the Association of Inter-

national Bond Dealers' regular monthly list of prices includes Eurobonds issued in Australian dollars. Bahraini dinars, Austrian schillings, Hong Kong dollars, Danish kroner, Norwegian kroner, and Saudi riyals as well as a number of composite currency units like Euro-Composite units, Eurocurrency units, and the Interna-Monetary's Special Drawing Rights. Most of the widening in cur-

rency options has happened since 1973. Before that, the three basic options were U.S. dollars (Eurodollars the U.S. domestic securities market was closed until early 1974 to all but a few select foreign borrowers) D-marks and Swiss francs, with the European Unit

ONE OF the big features of the of Account as a very poor past ten years has been the fourth. Maturities tended to be increasing choice in borrowing long and the U.S. dollar convertibles were a major feature of tha market.

> developments served to change the whole pattern of borrowing options were inflation, currency unrest and the rapid geographical diversi-fication of international financial markets.

With hindsight, it can be seen that the watershed was the devaluation and effective floating of the dollar in the first quarter of 1973. This more or In some respects the flexibility less coincided with the collapse of faith in equities as a hedge against inflation. Investor confidence in the dollar was shaken

> The difference in investors sentiment between 1972 and 1973 was one of kind rather than degree, while by 1976 investors were thoroughly accustomed to playing the currency game.

> When the dollar markets reopened hesitantly late in 1974 it was to offer short-term (five or seven-year) fixed rate bonds in small doses with a big emphasis on the new instrument of floating rate notes. The markets have not even

> now completaly recovered from the shock of the 1973 dollar devaluation and the collapse of

Dollars:	TSHAL* maximum amount		Yield
Dillars.			
Fixed interest	250	5-20	94-11
Floating rate	100	10-15	n.a.
D-marks:	120	5-15	variable
			-
Compatible	140		7-82
Convertible	-40	6-10	n.a.
Convertible Swiss francs:			
Fixed interest Convertible	150	5-15	4-51
Convertinie	- 40	5-6	· n.a.
Yen:			
Fixed interest	230	5-15	71-81
Canadian dollars:			
Fixed linerest	40	5-15	16-11
Guliders:			
Fixed interest	35 .	5-7	71-81
French francs:			,,,,,,
Fixed interest	35	5-10	94-10
Luxembourg francs:	-	0 2.0	93-T0
Fixed interest	. 16	5-10	8-81
European Unit of Account:		• • • •	0-03
Fixed interest	25	10-15	71-9
Kuwaiti dipar	35	5-12	
Eurosterling	50	7-15	74-9
	. •		102-121

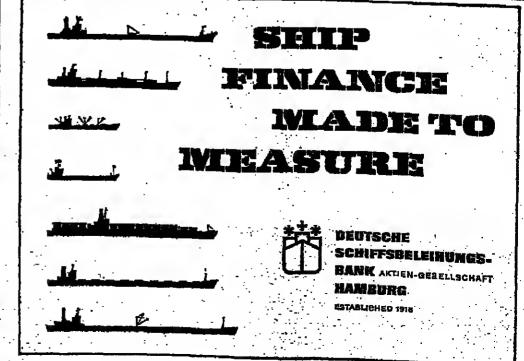
THE OPTIONS

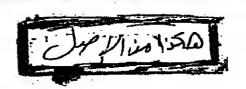
U.S.\$m or dollar equivalent.

faith in equities. Although in past 18 months equitylinked issues by U.S. companies have come back in from the most convertible issues have depended on currency factors for a large part of their

attraction to investors. the vast bulk of issues have been by Japanese companies particularly in D-marks -- while the most successful issues have

CONTINUED ON NEXT PAGE





EUROPEAN MONETARY SYSTEM

Another step to closer integration

THE EUROPEAN Monetary were revived by Mr. Roy System represents the latest in Jenkins, the President of the as reserves of Wlal Sir Jeremy Morse of Lloyds Bank has described as "experiments" as every described as "experiments" as severy described as "experiments" as severy described as "experiments" as severy described as severy described at securing closer towards the original goal of the connection of the president of the mark on the competitive position of the connection of the mark on the competitive position of the system solidation in the original werner plan called, EEC as measured by indicators against the issue of the such as Gross Domestic Product. Each currency has an ECU seem as a security such a aimed at securing closer monetary integration within

Europe. The system which started after two and a-half months' delay on March 13 is essentially an exchange rate intervention mechanism between the cur-rencies of the EEC countries (with the exception of the UK 1. It differs in a number of important ways from the snake, the old European joint float, and represents only the first stace of a more ambitious-and so far only prospective—frame-work of monetary links.

The origins of EMS are the proposals for full Economic and Monetary Union put for-ward between 1969 and 1971 and enshrined in the Werner Plan. The only concrete result was the original snake scheme of the late spring of 1972—which the UK and Italy left after six weeks and France left

and rejoined twice. The snake was based on the close linking of correncies with each other with a maximum survived as essentially a Deutsche Mark zone: the disturbances and recession of the mid-1970s blocked any hope of of the Werner Plan. Yet the cerned about the impact of the Brussels in early December. proposals refused to die and decline in the dollar and the The EMS, as at present estab-

Choice

of the Eurobond market.

- 12 % 157EE

to present a major lengthening

economic and menetary union.

If the case for closer economic and monetary co-operation had relied merely on the enthusiasts' zeal for the European Community ideal it might not have advanced very far. But Mr. Jenkins' call also coincided with other pressures.

Lookout

of the underlying shares in U.S. do not significantly exist business

Swiss francs made them among in the international investment Western

the hottest issues in the history arena. Only in Swiss francs,

about long-term currency and 15-year maturity remained the

of maturities. Though this is currency options has obviously widely desired by many borrow- owed much to the crash of the

At the same time uncertainty stayed consistently low, has the

regarded floating exchange rates with extreme suspicion from the start and were therefore on the lookout for a possible means It was also argued that-following two years of cheekered economic recovery - sharply fluctuating exchange rates on-wards were hampering rather than furthering hopes of containing ioflation and boosting the rate of economic growth. The key influence was the sharp decline in the dollar from spread between top and bottom mid-1977 onwards. This posed of 21 per cent. This is the particular problems for several parity grid principle. The of the stronger European currencies, notably the Deutschemark. During the first few months of last year Chanceltor Helmut Schmidt of West Gerfulfilling the longer-term hones many hecame increasingly con- endorsed at a summit in

where inflation and yields have

The rapid diversification of

the D-mark appreciated by more than a fifth against the dollar. Moreover, the outflow of dollars was con-entrated on a

few currencles - notably the D-mark within the EEC as well as the Swiss fram outside. The result was that over the same period from mid-1477 to autumn 1978 the DM appreciated sharply against the French fram, the Italia lira, and slerling. This undarmined the empetitive position of German Many central hankers and Finance Ministry officials had goods in key EEC markets, while intervention threatened in inflate the German money

> This explains why the idea of a zone of monetary stability appealed to Chancellor Schmidt. He effectively wanted to spread the impact of oulflows from the dollar by linking the D-mark to other EEC currencies and letting them all as a bloc take the strain of the weakness of the dollar. This had previously heen concentrated on the D-mark. At any rate this was Chancellor Schmidt's basic aim and formed the essence of the ldeas first floated by at a summit of EEC leaders in Copenhagen in April 1978, expressed in a detailed plan in Bremen in carly July and

CONTINUED FROM PREVIOUS PAGE

concentrated

ln

ally in New York. Middle East (now basically the Gulf since the devastation of Kong and Singapore with the sleeping giant of Tokyo building up in the past two years) ers. the latter are not usually mighty dollar. However, struc-prepared to pay the rates which tural diversification of the livestors would demand for international banking business, committing themselves for 15 throughout the globe bas also played a major role. Ten, or rencies of

towards the original goal of age on November I last year rotes as the first stage of monetary integration—as an ing when one of the currencies incentive to policy changes passes a threshold which is designed to bring convergence measured as 75 per cent of the of performance. In contrast, theoretical maximum of the 24 there is what Werner called the "economist" approach which says that lixed rates can be sus-

Attempt

EMS did not in itself repre-sent a first step towards monetary union but was quite specifically a scheme intended to limit currency fluctuations. It was hasically an attempt to achieve a system of fixed but allowed to fluctuate with a adjustable parities. This was to wider margin from the central be backed by extensive credit facilities and elaborate inter-vention and consultative the intervention mechanism, at mechanism. Quite rightly it was quickly dulibed the supersnake; while in theory and potentially EMS might amount to much more than the old D-mark dnmlnated joint float, its shortterm success would depend un the same forces as affected the old saake.

The intervention mechanism consists of two separate but rate and an adjusted change. overlapping components. One is the parity grid which is essentially the same system as presumption but not an obliga-operated in the old snake. Under that the authorities of the central bank is required to 24 per cent of its cross-parity against all other currencies. The only exception is the Italian lira which has margins against The early warning triggers have satisfied the UK each other currency of 6 per concultations in the various There was also e

Western European centres (notably London) and potenti-The other main element of Since then the development the system is the divergence

This indleator sounds a warnper cent margin against the ECU central rate for all eurrencies except the lira to per tained only ofter the perform-ance of various economies has ment for the different per-cooverged. eentage weights of each currency in the ECU basket in order to ensure that currencies with lighter weights do not reach their thresholds before curren-cies, like the D-Mark, with heavier weights.

> A further adjustment has been made for those currencies in the ECU hasket which are rate (at present only the Italian nrescut only sterting. The movements of these currencies are taken into account only insofar as they do not exceed 24 per cent. This produces a complication in the table on EMS rates published every weekday iu the Financial Times. This shows both an actual change from the ECU central

When a currency crosses its divergence threshold there is a its rules each participating country concerned will correct the position by one or all of intervene to keep the market the following measures: diverrate for its own currency within sified intervention, changes in domestic monetary policy, changes in contral rates and other economic policy actions. EEC hodies:

nisms have been expanded from and divide his Government and ECU 11bn to ECU 25bn. Loans party. The EMS negotiations with interest rate subsidies were also provided to less-prosperous EEC countries (Italy, Ireland and the UK), but only those participating from in the system could use this facility.

All the EEC members of the snake supported EMS from the start and they were joined by France, which was keen to stabilise the france as part of its recovery programme, and hy Ireland and Italy, though both these countries only fully committed themselves in mi-

ments. Some of the British negotiating atance—for example the desire for larger credit facilities and for flexibility in changing parities — seemed designed to weaken the effectiveness of the scheme.

Gradual

The main economic reservations were that the UK's late December, France raised economie performance was toofar apart from the rest of the EEC to permit participation. Hence the UK should pursue a gradual programme of adjustment over three or four years domestic prices. The eventual before linking its currency. According to several commentators the wider band of fluctuation on offer to Italy could also

There was also concernnotably at the Bank of England These intervention rules are —about the impact of the backed by extensive credit different trading and financial of the financial centres of the indicator. This has the alm of facilities. A very short-zerm of the financial centres of the indicator. This has the alm of facilities. A very short-zerm of facility of unlimited amount will normally be supported in the world compared the finance central hank of finance central hank of facility of unlimited amount will normally be supported in the world compared with the facilities. The world compared with the finance central hank of finance central Kong and Singapore with the sleeping giant of Tokyo building up in the past two years) have resulted in the growth of a variety of markets in the currences of the countries of the Enropean central hanks of the participation of fixed amounts of EEC with the European Monetary countries have deposited hasket of fixed amounts of EEC with the European Monetary countries the currency list beginning to diverge repayable within 45 days after the month during which lits EEC partners—less than two-fifths—than other eventual hanks of the participation capital flows between London and New York than between hasket of fixed amounts of EEC with the European Monetary countries. This reflects the Co-operation Fund a fifth of pattern might disturb currency is beginning to diverge repayable within 45 days after the month during which into EEC wentlook place. Part of the countries and there are greater capital flows between London and New York than between London and Frankfurt. This currency is beginning to diverge repayable within 45 days after the month during which lits EEC partners—less than two-fifths—than other countries and there are greater capital flows between London and New York than between London and Frankfurt. This currency is beginning to diverge the month during which lits EEC partners—less than two-fifths—than other countries and there are greater capital flows between London and New York than between London and Frankfurt. This currency is beginning to diverge the month during which lits EEC partners—less wentlon took place. Part of the month during which lits EEC partners—less wentlon took place. Part of the countries and there are greater capital flows between London and New York than between London and Frankfurt. This currency is a supplied to the month during which lits are countries and there are greater capital flows between capital flows be

formal pooling of reserves.

In addition, the existing short and medium-term credit mechanisms. coincided and were linked with a resurgence of British eriticisms of the EEC, notably the Common Agricultural Policy

and the Budget. This left Britain with what has been described as country club nr associate membership. Mr. Gordon Richardson, the Governor of the Bank of England. has said the UK will play a full part in the discussions about the longer-term development of EMS. In the short-term a decision is likely soon on UK participation in the very short-

The UK, however, decided term swap facilities. This would that initially it would remain essentially he a sign of future outside the intervention arrange- good intentions. The new Conservative Government has already said it will take its time to examine all the aspecta of EMS membership. Mrs. Margaret Thatcher, the Prime Minister, has said that her

Government will have reached a decision by the time of the formal EEC review of EMS in September. Even without the UK the EMS did not bave a smooth start. In objections about the phasing out of Monetary Compensatory Amounts, the farm subsidies which bridge the gap between the common EEC price level and

compromise in early March did not concede the basic French demands but the face-saving formula allowed EMS to start. The first two months have heen relatively quiet. This is primarily to do with the recovery of the dollar since the end of last year. This bas

reduced the pressure on the Dmark which bas been one of the weakest currencies in the system. In contrast two prelira and the Danish Italian krone—have been at the top of the permitted range in response to high interest rates. The reversal of the previous

pattern between strong and weak currencies has reflected Mary Campbell differing relative importance of their gold holdings and a fifth relationships within the EMS both relative interest rates and

strength of the Krone at one end and the weakness of the Belgian franc at the floor. One ironic feature has been that the renewed strength of sterling, partly associated with North Sea oil and rising oil prices, has pushed the pound out of line with the EMS currencies. This

with the Irish punt had to be broken at the end of March Looking ahead, the main questions are about the stability of the French france and the possible impact of a weakening in the dollar. A lot may depend on the extent of any further oil price rises.

meant that the one-for-one link

Switch

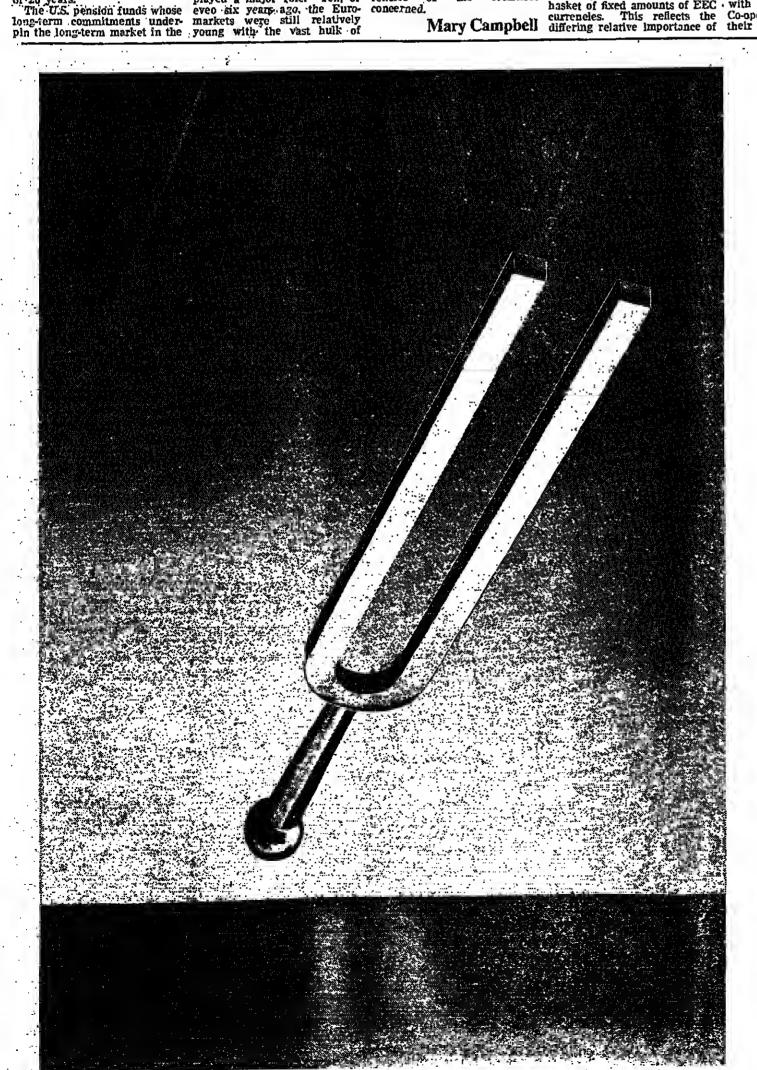
But if the intervention mechanism continues to work fairly satisfactorily attention will switch to the further development of EMS. The original Bremeo proposals envisaged that not later than two years after the start of the system the existing credit niechanisms would be consolidated into a single fund. At the Bremen summit it had been suggested that ECUs would be issued not only against deposits of gold and U.S. dollars but also against currencies of par-ticipating countries. But no the Brussels communique last

December. This has raised speculation about the creation of a minl-International Monetary Fund In Europe: in Washington U.S. officials have been concerned both about this and the role of gold in the system.

At present, EMS is very much a central bank operation and hold, buy and sell ECUs. Commercial banks are unable to deal in them; while there is nothing to prevent loans being denominated in ECUs previous currency cocktails have been unnonular. The ECU looks unlikely to be an important banking medium for some time. But so far at least the experiment of FMS has more substance than earlier experiments with the

Peter Ridde!

Deutsche Bank, a century of universal banking.



The art of fine-tuning a variety of instruments.

Tuning customers' requirements and the realities of the financial markets requires not only the extensive knowledge and skills of the specialist, it calls for a broad range of services as well. You can be assured that Deutsche Bank, with more than 100 years of international experience, can offer both.

Our scale of services reaches from the more common forms of financing, such as reimbursement credits and discounts, to co-financing in

cooperation with governmental and international agencies as well as private placements and public bond issues.

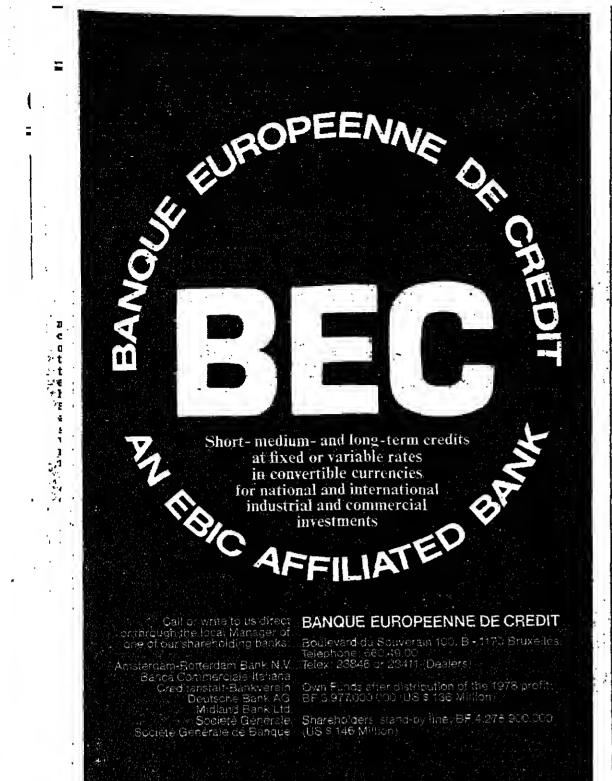
Our experts throughout the world are well acquainted with these and many other concepts in financing.

Come to Deutsche Bank and let us tune them exactly to your requirements.



Central Office: Frankfurt (Main)/Düsseldorf

Subsidiaries in: Hongkong, Luxembourg, Singapore Representative Offices ur Berut, Bogotá, Caracas, Hongkong, Istanbul, Cairo, Lagos, Madrid, Milan, Mexico, Moscow, Osaka Rio de Janeiro, Santiago, San José, Sydney, Tehran, Toronto



INTERNATIONAL MONETARY FUND

A more human face

Had the managing director of bas the power to be more effectypical of the hard-nosed econo-

"In its approach to requests for conditional assistance." he went nn, "the Fund recognises that, to be evenhanded, conditionality must take into account the domestic political and social objectives of its members as well as their economic priorities. . by the same token, conditionality must, to be practical allow for vary
to be practical allow for vary
to oversee international to be practical, allow for vary-ing speeds of adjustment. In this connection I would note that the duration of programmes supported by the Fund bas been lengthening in recent years, in recognition of the difficulties of adjustment and

even now engaged in protracted and private resources on its and arduous negotiations might behalf. That the U.S. should

M. and understanding face in their dollar support package is per-"ADJUSTMENT," said M. and understanding face in their dollar support package is per-Jacques de Larosiere at the particular cases. But in the baps the greatest testament to UNCTAD conference in Manila broader sense it is undeniably date of institution's new weight. earlier this month, "is never true that as the international likely to prove easy, especially monetary system constantly for the poorer countries, and evolves, often uncertainly and experience suggests that it seemingly invariably accomprogressively more panied by considerable strain, the longer it is the IMF is itself changing. In the first place the IMF now

the International Monetary tive in dealing with both the Fund (DMF) stopped there, as developing and industrialised his predecessors might have worlds. Over the past year its been expected to not so very resources have been much long ago, his comments would strengthened—by the agreement bave been widely interpreted as in principle to increase its quotas by 50 per ceot. mic attitude associated with the world's monetary "policeman." special Witteveen supplies.

But M. de Larosiere bad more financing facility and by the start of the planned \$12bn

to international monetary affairs. The new brief governing exchange rate surveil-lance, while yet to be seriously tested in practice, gives poten-tially far-reaching "leverage" to the IMF.

More generally, it is becoming the importance of policy shifts increasingly accepted that a of a structural nature." increasingly accepted that a nation in trouble needs the Some of the developing countries with which the IMF is can fully mobilise both official

Other less powerful countries,

with-unlike the U.S.-little choice but to subject themselves to the IMF's economic disciplines, are more painfully aware that balance of payments problems are bard to tackle without the confidence in the private sector that can come from the IMF's endorsement of policies.

If anything, the IMF's power is likely to grow rather than diminish in the years ahead. Alraady the staff are working on the so-called "substitution account" proposal, which would enable countries to deposit unwanted surpluses of a given unwanted surpliness of a given foreign currency (presumably dollars) and take out instead either special drawing rights in other bard currency. If, as has been rumoured, the IMF staff proposes to extend this facility to the commercial as well as nfficial sector, then a major new element would be introduced, if approved, into the international monetary scene.

The IMF knows that it may well need all its practical and moral powers in nrder to deal with the magnitude of the current global imbalance. The payments improving trend of the last couple of years tion of the IMF is of concern. bas been sharply reversed by The Nicaraguan incident of last

acute problem, in the Third financing request from Managua World especially, of a slower as a mark of disapproval of rate of economic activity, which General Somoza's regime) is

may he insufficient to meet the demands made on the institution. Turkey's needs alone, for example, appear to exceed not only the IMF's available resources but also those of the industrialised nations anxious to assist the current Turkish

Tempered

It is against this background that the IMF is seeking to operate more flexibly. By and large the fundamental economic rules it lays down in return for financing bave not changeddomestic monetary austerity concentration on developing economic sectors with export earnings potential and, where appropriate, exchange rate devaluation. But as Mr. de Larosiere noted, the disciplines tend now to be more tempered with social and political realities.

To some critics the politicisa-tion of the IMF is of concern.

the latest OPEC oil price year (when the U.S. Mexico and increases, thus compounding the Venezuela conspired to delay a rate of economic activity, which bas made financing of debts that much more expensive.

It is quite possible that the recent rise in the IMF's liquidity a political tool in foreign policy.

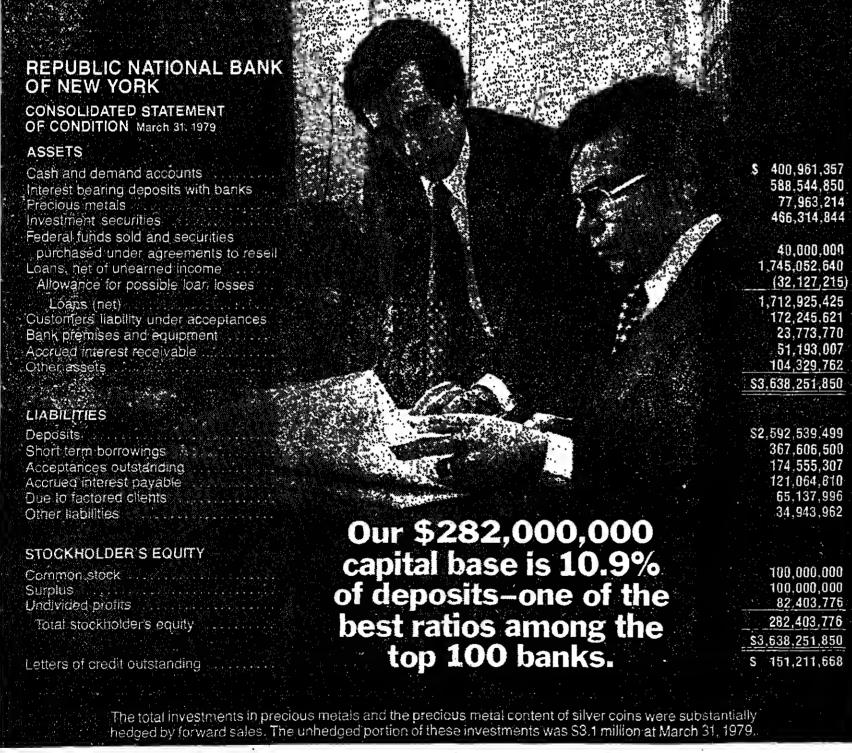
However, such perfect insulation from politics may be unattainable. The U.S. Congress, for one, is forever seeking to impose political conditions on the operations of the IMF and other multinational development institutions. For better or worse the IMF is and has long been involved in realpolitic with a consequent need to be able to play the rules

of the game adequately. Any discussion of the current state of the IMF would be in-complete without reference to a serious internel problem the intractable dispute over-salaries which could yet prompt the first ataff strike in the organisation's 33 year history. In a sense this too has become a political issue, but it is one which, if unresolved, could seriously damage both IMF morale and the quality of its work, not to mention the moral authority it wishes to convey in the world-

Jurek Martin

dispute the contention that the deem it appropriate last year to organisation is, as it were, draw on the unconditional fund-

Look behind our numbers and you'll see our resources.



What does such an unusually high capital-todeposit ratio mean?

It means we have experienced, hard working people who have built a strong capital base in order to protect our customers' deposits.

Our people have always been able to provide excellent service to our customers and maintain a high level of liquidity.

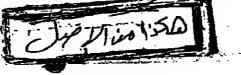
Our people's efforts show up elsewhere on our balance sheet. For example, our assets are only 13 times Republic's \$282 million capital base. And our return on average assets is one of the highest in the banking business.

So, of all of our resources, we feel our people are most important. They make our performance possible. Get to know them better.

Republic New York

America's 47th largest bank, and growing.

Republic National Bank of New York/Republic New York Corporation, Fifth Avenue at 40th Street, New York, N.Y. 10018 London • Nassau • Cayman Islands • Miami • Santiago • Hong Kong • 19 offices in Manhattan, Brooklyn, Queens& Suffolk County. Affiliates and Representatives in : Beirut, Bogota, Buenos Aires, Caracas, Chiasso, Frankfurt/Main, Geneva, Luxembourg, Mexico City, Montevideo, Panama City, Paris, Rio de Janeiro, Sao Paulo, Tokyo Member Federal Reserva System/Member Federal Deposit Insurance Corporation A subsidiary of Trade Development Bank Holding S.A. Luxembourg



Resilient market

THE INTERNATIONAL gold of gold, naturally had no interest monthly auctions. But among of metal—supplies in 1978 were and a nome in donar-created gold content has seen brough 11.5 per cent higher than in assets. Although the gold sales into line with market prices. 1977—and although gold itself made little perceptible differ. And, most significantly, the is no longer an official ence to the U.S. balance of paynumeraire in the international monetary system, its role as a create a climate in which the on 20 per cent of the members' store of value has been quietly dollar could make up some lost foreign exchange and gold reserves. store of value has been quictly enhanced against a background of political disturbance and

between \$170 and \$185 an ounce. In July it began to advance strongly, closing in London at \$245.125 on October

By the end of November gold bas slipped back under \$200 but after that it began to advance again so that by this month It was moving between \$245 and \$260 an ounce.

The movement of the price in dollar terms is deceptive, how-ever. As Mr. J. Ogilvie Thompson, the chairman of Anglo American Gold Invest-ment, the gold sbare holding company of the world's largest producer, Anglo American Corporation of South Africa, pointed out last month, there has not been a comparabla rise in terms of other major

In 1978 "the price in yen and Swiss francs was virtually the same on average as in 1977," he

"Only in the first two or three demand has been firm, be months of 1979 have gold prices moved up sharply in terms of Ont of a total of 1,840 all currencies. In fact the price in Deutsche Marks has just re-attained the levels of 1974, when the dollar price was at its previous peak, while in terms of yen and Swiss francs it is still

Existence

Certainly until the end of last October it was possible to assume that if the dollar declined un the foreign exchanges then this would automatically raise the gold price. Gold seemed inextricably linked to the foreign exchanges. But the movements of the price this year indicated that gold had an existence of its own, rising in dollar terms as the dollar itself re-covered in response to tha support package announced by President Carter last November.

Part of this package was a plan to increase sharply the amount of gold auctioned each month by the U.S. Treasury, and it was this which caused the market to swallow hard last November. It was decided to sell off monthly 46.66 tonnes of gold. The sales had in fact been taking place for some months. They began in May when 9.33 tonnes were offered and the programme was later extended to 23.33

It was a measure of the market's resilience that It could absorb such amounts, especially as they came on top of the regu-to play a role. sales on behalf of developing countries, which were set at 14.62 tonnes a month last December and reduced to 13.8 tonnes this month.

tently opposed the monetisation share in the proceeds of the

ground.

general political and economic difficulties.

Symbol

Indeed gold has come into its own as what. Mr. Ogilvie Thompson called "a symbol of security in a world plagued by inflatinn, currency instability. and political turmoil." Less grandiloquently, the market had responded to the events on the Sino-Vietnamese border. the Iranian revolution, the in the Middle uncertainties East and the latest rise in nil prices, which leaves the U.S. exposed than, 5ay.

Germany and Japan.
The investment demand nn the market, created by the sense of insecurity, has been mainly instrumental in deciding the movements of the gold price. Industrial and jewellery demand has been firm, but has

Ont of a total of 1,840 tonnes of gold made available to the market last year, according to figures from Samuel Montagu. the London bullion dealers, 335 went to satisfy investment demand. The difficulty in seeklower than those prevailing at ing to chart a future for the that time." gold price is the fickleness of this demand. Investment movements in the

market take place, however, on top of the more stable trading purely for jewellery and industrial purposes. The danger for investors, whether they are banks or private citizens buying coins, is that if their interest pushes the price too high then the fabricators' demand will fall away, as it did in 1974. This in turn would pull the price down, creating precisely the sort of insecure situation investment in gold is designed to avoid.

Possibly the scope of the market for moving downwerds below, say, \$220 for any length of time is limited. There is a new element in gold trading and that is the presence of the central banks following changes in the articles of the International Monetary Fund. Amended articles were finally

ratified in April last year, severing the link between gold and its old official price and allowing central banks to sell and buy. Gold, although removed from its place at the cantre of the international monetary system, was given the freedom

So far there bas not been much official buying of gold beyond that undertaken by a number of developing countries, which have been taking metal The U.S., which has consist from the IMF rather than a

market has shown remarkable in seeing liquid funds from the industrialised countries resilience over the past year. It international financial system there has been an extensive bas absorbed greater quantities going into gold, when they might revaluation of reserves as the of metal—supplies in 1978 were find a home in dollar-related gold content has been brought reserves.

of political disturbance and financial instability.

Prices in dollar terms are now in as high a trading range as they have ever been, roughly \$100 more than at the beginning of last year. Early in 1978 the price was in the high \$160s and until the end of June moved between \$170 and \$185 an interest in ensuring that the gold price does not slump as it did in the 20 months from the end of December 1974, when the price fell from \$195.50 and ounce to just over \$104. It is had shown that the gold market was concerned not simply with bank buying would take place the dollar but with more in the event of any marked downturn on the market.

Whether such a downturn is likely this year is uncertain from analysis of the supply and demand projections. Montagu's estimate of supplies last year. admittedly bigher than others, was made up of mine production at 968 tonnes, official sales (IMF, U.S. and others) of 442 tonnes and Soviet Union sales of 430 tonne: This made a total of 1.840 tonnes,

This year it seems likely that supplies could be marginally higher at around 1,845 tonnes. Mine production should reach around 1,000 tounes; the ontput of established mines in South Africa bas stabilised while there is one new mine on stream Elandsrand, and additional supplies from ERGO, the waste dumps reclamation venture.

Now that the U.S. has reduced

the offering at its Treasury auctions, the amount available for the market from official sales, assuming a steady flow of IMF auctions, would be about 545 tonnes. There is uncertainty, bowever, about Soviet Union intentions. There have been few sales from this quarter so far this year and it now seems unlikely that they will reach last year's level. Perbaps 300 tonnes would be a reasonable assumption.

Offtake

If the offtake from the market for industrial, jewellery and coin manufacture remains much the same as last year, or even slightly beneath, at say 1500 tonnes, then there remains some 345 tonnes to satisfy investment demand. This is fractionally higher, but will demand more funds to purchase because of the higher level of prices, at a time when interest rates have started in rise.

The incentive to buy depends on the general economic out-With inflationary pressures building up because of the latest OPEC oil price rises and the likelihood of the U.S. economy flattening out, the conditions for continued interest in gold seem to be traditionally right. This at any rate is the hope

to which the South African mines, by far the largest source of new production, cling in the face of rising costs and the need to exploit generally lower grades of ore at deeper and deeper levels. But of course inflation hurts them as much as anyone. The conditions which give them higher prices also make it more difficult for them to meet the demand.

Paul Cheeseright

It was the introduction ten years ago of the syndicated hank credit lo the Eurocurrency market which really unleashed this msrket's full potential. The 1960s had seen the Enrocur-rency loan, of quite sbort maturity, gradually develop into the roll-over loan as confidence in the stability of the market developed. But these roll-over loans were still arranged by individual hanks with a maximum amount of perhaps \$15m st one go. The really big financings were in the form of

Syndicated loans appeared in New York in 1967. Bankers Trust arranged a pioneering Euro-syndicated loan of \$100m for Austria in 1968. The first of the modern breed was that put togetber by Manufacturers Hanover Ltd. in March 1970. This was a \$200m five-year loan for IMI of Italy with a spread of I per cent over Libor and a front end ice of 4 per cent. It created quite a stir because it was an early example of bal-snce of psyment floancing by a Government via banks.

But the instrument itself was eyecatching development A group of hanks could now come together in one loan agreemeut. So with just one set of documents, and one set negotiations over terms, a horrower could procure a quantity of funds which the bond markets would have found hard to provide. The syndicated loan allowed a quantum jump in the size of individual financing provided by the private sector in the Euromarkels. Already in the first half of the seventics some 25 per cent of the value of funds provided in the syndicated lnan market took the form of credits of \$500m and nver,

Waiting

vention there were a large num-slarting below that level.
ber of newly established banks

During 1954 the simply of in London wailing to participate in this new business. The number of U.S. bapks in London had risen rapidly at the end of the sixties, partly because their U.S. parents wanted them to soak funds out of the Eurodollar market and channel them back to the U.S. But in the early years of the seventies U.S. In-terest rates fell below those in the Eurodollar market and the flow reversed. So the rise of the syndicated loan market was to commit themselves long-term to say that the market for fuelled by eager banks, by exon the strength of such a syndicated loans has not ported dollars, and by the fragile looking deposit base. The majured as a result of the fuelled by eager banks, by exported dollars, and by the appearance of the first of the

In 1971 the Japanese banks

Borrowers of high standing can expert, under today's markel conditions, to draw funds in less than four weeks after giving instructions to a lead manager. First-time borrowers, and those for whom the preparation of a syndica-tion memorandum will require some research, should expect it to take rather longer-anything up to three months. Orion Bank has described the sequence of events in pulling together a loan for a burrower of established credeotials as

Mandate issued to lead manager. Invitations sent to other banks in join management Braft loan sgreement and syndication memorandom

submitted to borrower. Revisions to syndication memorandum to he agreed

Responses required from hanks to join management

group. Day 5 Formal fully-underwritten offer telex sent to the burrower. Borrower approves final proof of syndication

memorandum. Borrower gives comments on loan agreement. Burrower advises lead manager of its acceptance of the underwritten offer. Telexes sent to pre-selected group of hanks to be

Marked up copy of draft loan agreement submitted to the management group. Revised draft loan agreement seut to banks invited

10 participale. Responses required from all banks invited to participate. Final allocation of participations made.

Last date for complents on loan agreement from participating banks, All proposed revisions to loan agreement advised to

Day 16 Final draft loan agreement sent in participants and Day 2t Earliest date for signing loan agreement,

not until 1976 that loan terms

again began to show that com-

relurned to the market, Since

then there has been a continu-

ous erosion of the fees and

spreads on medium-term credits.

are back to a spread of a half

per cent and the riskier credits

are coming ever closer to that

the longest Eurobonds.

Generous

German banks in 1972. Statistics loan fell from \$78.5m tn \$44m for the early days of the market are hard to find but by 1973 hetween 1974 and 1975, while the average maturity fell from the annual loan volume was 8.2 years to 5.5 years and the average spread leapt from 1.12

already \$22bn compared with the \$66bn arranged in 1978, per cent to 1.40 per cent. It was The quantity of dollars by then available at market rates was so great that terms on syndicated pelitiveness and confidence had loans got rspidly finer - just as they have in the last 18 months. During 1973 maturitles were pushed out to 10 years and spreads came down to 🕯 per At the time of he loan's in- cent, with some split spreads

> During 1974 the supply of offsbore dollars tightened, or was outstripped by loan demand, and hiere was a gradual tendepcy for loan lerms to become tougher. This tendency was given o dramatic boost by the collapse of the Herstatt Bank. This bank failure was followed by a very sudden preference for liquidity on all sides. Depositors deposited short and only in the largest hanks. The largest hanks in lending terms.

became involved in such lend- market by Orion Bank the particular the Japanese, stayed ing, followed by the first average size of a syndicated out of the market for a time.

under clear instructions from the Japanese Ministry .. of Finance to pin drwn a higher proportion of long-term funds. The result was the high valume of issues of three-year fluating rate certificates of deposit.

Western central hanks have hecome more aware of the importance of monitoring the inalurity mismatch implied in funding 10-year loans nn a rollover basis. The Bank of England new publishes regular surveys showing what sort of upersting out of London. The larger banks have also increased the quantity of floating rate notes—essentially hond issues with a rate of interest that varies with the interbank rale -in order to put their loans onto a more solid hasis,

Today the medium-term syndicated loan has swamped the bond issue as the main medium for international floanetng. In 1978 the \$68bn of lnans compared with \$15bn of Eurobonds and \$17.5bn of bonds issued in dnmestic capital markets for overseas borrowers, it is really the syndicated loan which is responsible for the fact that the international hanks have shortcircuited the official agencies like the World Bank and the International Mopelary Fund in supplying funds to developing, and other countries in balance of payments deficit.

The loan market has now de participations in has Today the best quality credits on with a spread of a per cent and keeps the difference as a works well spreads src falling. tively a cash sum can be paid.

risky loans has been steadily eroded. Meanwhile, it is now poswas a hybrid instrument. It exposes the bank to 10 years of credit risk for whatever the sible 10 arrange medium-term syndicated loans for as long as 15 years, which all but matches maturity is), only six months of interest rate risk, and a funding risk that is difficult to de-fine in that loan agreement's often have clauses allowing But although the terms are hanks to ask for repayment if remained very liquid, fearing as generous as ever, this is not Eurneurrency funds prove hard to find. The fact that such a loan is lo a growing extent. result was a sharp deterioration post-Hetslatt tremors. Banks the distinction between a loan n lending terms. Which had only wholesale and a finaling rate hand is be-According in a study of the market access to dollars, in coming somewhat blurred.

Swamped

veloped to such an extent that there is a secondary market in loans in which hanks can sell dicates to one another. Sometimes such sales involve a spread-sharing arrangementthat is, the selling bank which a share of a loan paying a spread of 4 per cent hands It Alterna-

level as well. The discrepancy hetween risky loans and non-The syndicated loan always

Nicholas Colchester

PROJECT FINANCE

Tailor-made packages

ASKING A banker wbst he means by project finance is akin to asking bow long is a piece of string. The answer varies from banker to banker. What soon becomes apparent is that the financing requirements of each project are unique and need a tailor-made package to be met successfully.

This means that the differences that separate one project financing from another can be as great as the common approach to settling the problems thrown up. It is the very presence of these subtle nnances and the close interplay of numerous varishles that makes the field so fascinating for bankers, yet so elusive for

The complexity of project financing goes a long way towards explaining the predominant grip on the market by the large money-centre banks. it is the major American banks and to a lesser extent their European counterparts which have the financial muscle and indostrial know-how to support the frequently protracted negotiations involved in these large-sesie transactions. One banker pointed out that some projects first considered as long ago as 197t were still the subject of discussions with various interested parties.

Difficult

The sheer costs in terms of manpower means it is a difficult market for smaller banks to break into. While mediumsized banks can concentrate on projects in a specific industry this leaves them open to a squeeze on activity in times of downturn in that industry.

Exact figures on how much project finance business individual banks are doing remain hard to compile, basically because bankers disagree so radically about what falls into the category of project finance. Setting aside these semantic disagreements, Richard Radez, a banking consultant, recently assembled some figures on which banks have structured the bulk of the project financing scrivity in the years 1971-77, jects financial viability and growth in project financing is

LEADING BANKS IN PROJECT FINANCE

	financing	Number of	of total	
	(\$m)	projects	1971-77	
Citicorp	B.433	16	30.1	
Chase Manhattan	2,102	12	9.9	
Morgan Guaranty	t,400	2	6.6	
Bank of America	1,234	6	5.g	
Morgan Grenfell	1.079	4	5.1	
Amsterdam Rotterdam	748	2	3.5	
Manufacturers Hanover	680	4	3.2	
First Chleago	621	2	2.9	
First Boston	580	5	2,7	
Lloyds Bank	575	.3	2.7	
Barclays Bank		4	2.3	
Republic Nstlonal Bk. of Dallas	425	2	2.0	
Bankers Trust	305	2	1.4	
Royal Bank of Canada	167	2	0.8	
Other banks	4.501	27	21.1	
Total	21,340	g5	100	
Source: The Banker, August 1978.				

Note: Each of the named hanks has stranged two nr more project financings of st leasl \$50m. Credil for project financing was given to the bank which structured the deal. "Other banks" includes thoac that have done one transaction over \$50m. By adopting this method \$3.45bn worth of deals arranged during 1971-77 are not accounted for.

Citicorp. Morgan Guaranty, Chase Manhaltan and Bank of America have structured over per cent of the project financing srranged during those

Project financing ranges from

finance, where lending is withoul recourse to the borrower and is secured purely on the anticipated earnings of the project itself, to lending based on the assessment of the borrower's creditworthiness. In reality the bulk of so-cslled project financing falls somewhere between these two extremes, depending upon how the lead bank which is arranging the deal eventually struc-

tures the transaction. In the early 1970s lending for projects in the Third World was nearly always sovereign risk lending based on an sssessment of the political risk. Now it is more common for a loans" detailed analysis of the actual agencies. project to be required.

These statistics showed that aensitivity to changes of certain magnitude of specific variables are set up. The risks involved in the project are identified as far as possible and then a complex series of decisions taken on how host to lay off these risks. This may, for example, the rare case of pure project involve take-or-pay arrangemenls, completion guarantees or various methods of reducing

sovereign risk. While the bulk of project financing has been arranged by U.S. banks the geographical eenire of activity remains London. The project finance departments of most American banks are located in their Citybased merehant banking offshoots. This is because the City is the largest single Eurocurrency ceotre, and arguably the easiest vantage point from which to assemble the various components that go to make up the deal which frequently in-

International bankers are Computer models of the pro- agreed that the prospect for

from

strong. Attention is likely in switch from the Middle East, where oil-led development has hecome muled, to the Far East, particularly China, and South America. Nearly every Latin American country from Costa Riea to Brazil is currently studying at least one major pro-

able funds in the coming years. Wilh banks awash with money and esger to book international assets, an increasing number of hankers can he expected to turn their attention in this ares of husiness. In additioo, hankers can effectively create project to finance by a close study of a country's economic plans.

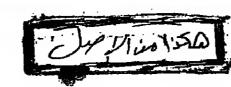
If economic policy is put into practice as outlined, they can argue, then certain hasic utilities, like perhaps a new electricity plant, may have to be developed. In this way bankers can get ahead of their compelitors, an essential factor in the highly compelitive and visible lending setivily of pro-

ject financing.

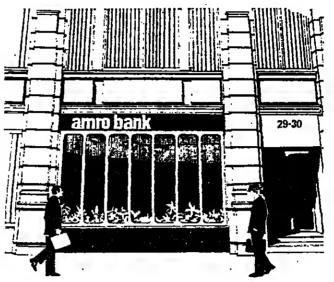
A further fillip to project financing is the lending limits imposed on American banks by the U.S. Comptroller of the Currency. These regulations place limits on the smount that can be lent to any single bor rower including foreign govern ments. By using separste horrowing entities such as projeets, U.S. banks have potential to increase their lending to sny given country. This can be particularly important for those countries such as Brazil which have tapped the Eurocurrency market heavily for floating rate funds in the

With lending margins in the Eurocurrency market being squeezed, project financing which holds out the carrot of additional fee-carning business becomes increasingly attractive. Il also provides American banks with a way of maintaining their historic relationship with major multi-national corporations, many of which are increasingly clude export credits and "soft turning to the commercial international paper markel rather than the mnney centre hanks to raise

funds within the U.S. Rosemary Burr



It seems London had need of Amro Bank



The commercial ties between Britain and Holland go back to at least the 17th Century.

And, judging from our own experience, Dutch financial expertise is still very much at home in the City of London.

Since opening our London branch, we have been particularly busy in the Eurocurrency and sterling markets, participating in syndications and issues on behalf of international companies for a wide range of projects.

Our arbitrage department has also been in considerable demand. Naturally, as a leading Dutch bank (assets of over U.S.\$35 billion) with decades of experience in international trade, we are well placed to contribute to Anglo-Dutch and Anglo-EEC business development; and indeed on a world wide basis.

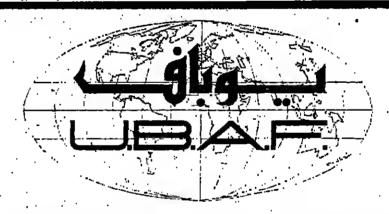
To this end we are offering the following range of services in London: current and deposit accounts, commercial loans, short and medium term lending, collections, documentary credits, export finance, guarantees, foreign exchange transactions and trade promotion.

amro bank 🐯

amsterdam-rotterdam bank nv

29/30 King Street, London EC2 8EQ. Tel: 01-606 8833 Telex: 887139 Head Offices: 595 Herengracht, Amsterdam, Telex 11006 119 Coolsingel, Rotterdam, Telex 22211

Branches, subsidiaries or affiliates in every major world financial centre



UNION DE BANQUES ARABES ET FRANÇAISES-U.B.A.F. BALANCE SHEET AS AT 31.12.1978

ASSETS

Cash in hand with banks of issue Banks and financial establishments Treasury notes and securities received as collateral or paid in cash Credit to customers Credit to customers-Overdrafts Cheques or bills for collection Suspense accounts and sundries Securities potfolio Investments in affiliates and participations Fixed assets · Shareholders or associates

Total Assets

LIABILITIES

Banks and financial establishments Customers deposits Saving accounts Cheques and bills to be paid after collection Suspense accounts, provisions and sundries Floating rate notes and convertible bonds Reserves Capital Total Liabilities

1.377.264.703 7,786,187,224 0,042,233,876 299,000,000

510,106,845 2,436,169,973 2,244.136,802 316,380,450 46,388,240 38,837,942 17,511,752 606,586,991 120,229,659 137,848,650 7,934,804

3.126,440,396

894,012,382 184,133,623 18,027,923 13,902,333 50,000,000 14,627,070,414

606,616,638

2,313,680,881 1,511,629,992 8,777,173,053

493,419,019 1,434,968 38,837,942 856,165,050 452,875,000 42,854,483 150,000,000

3,126,440,396

10,565,890,824 766,039,104 1,214,301 17,511,752 943,215,486 517,200,000 54,368,955 250,000,000 14.627,070,414

The ordinary General Assembly of the Union de Banques Arabes et Françaises - U.B.A.F. - during its meeting of April 23, 1979 at the Head Office at Neutlly-sur-Seine has unanimously approved the accounts of the financial year ending 31,12,1978, noted that the financial year resulted in a new profit of FF 26,264,472 against FF 24,997,534 for the previous year and fixed the total dividend at FF 14,750,000 against FF 12,750,000 in 1977. In accordance with article 22 of the Articles of Association and article 9 of the Protocol, and, on the recommandation of the Board of Office for the General Assembly nominated of M.M. Abushadi, Banque Française du Commerce Extériour represented by Mr. Patrick Haizer and Commercial Bank of Syria represented by Mr. Patrick Haizer and Commercial Ban resignation of Mr. Gerard Gervais from the Board and decided, at the proposal of the Board of Directors, to appoint Mr. Jean Deflassions to the directorship which has become vacant. The Board of Directors re-elected Dr. M. M. Abushadi to the Charmanship of the Board.

Under critical eyes

in the deposit and lending of currencles beld outside their country of domicile—has been accompanied by a pronounced easing in credit conditions for borrowing countries and especially in the last 18 months, a marked rise in international months from the West German large measure with figures that the figure for the net size of the smaller industrial monetary institutions from national market.

Further illustration of the Further illustration of the last three years many developing that the figure for the net size countries in South-East Asia and monetary institutions from national market.

Further illustration of the last three years many developing that the figure for the net size countries in South-East Asia and monetary institutions from national market.

Further illustration of the last three years many developing that the figure for the net size countries in South-East Asia and market.

Further illustration of the last three years many developing that the figure for the net size countries in South-East Asia and encouraged in attentional market.

Further illustration of the last three years many developing that the figure for the net size countries in South-East Asia and encouraged in attentional market.

Further illustration of the last three years many developing that the figure for the net size countries in South-East Asia and encouraged in attentional market.

Further illustration of the last three years many developing that the figure for the net size countries in South-East Asia and encouraged in attentional market.

Further illustration of the last three years many developing that the figure for the net size countries in South-East Asia and encouraged in attentional market.

Further illustration of the last three years many developing that the figure for the net size countries in South-East Asia and encouraged in attentional market. exchange rate instability. This increase in the size and

scope of a market whose very essence is its freedom from national regulation and control has sparked off an increasingly critical examination of the role played by the Euromarkets In a transmitter for various types creating world liquidity and of underlying economic disorder, promoting monetary disorder. promoting monetary disorder.
The result has been a sharp divergence of opinion among

the leading central banks on wbether the Euromarket should be brought under better control in the interests of world economic stability. At the core of the debate is

a key question: To what extent does the Euromarket lead a separate existence from national banking markets, and to what extent does it merely act as an intermediary for tries which would have taken place, in response to fundamental economic conditions in those countries, even if the market had never developed?

Liabilities

The gross size of the Euromarket, measured by the foreign currency liabilities of banks in the significant financial centres around the world, reached \$860bn by the end of last year, a rise of 24 per cent compared with the end of 1977. somewhat higher than the average annual growth rate of 23 per cent during 1973-77.

By far the largest portion of the market-well over \$500bn —is made up of interbank deposits. The rest is split into deposits from official monetary institutions, totalling more than \$100bn, and from non-bankscorporations, state enterprises non-bank . financial institutions and wealthy individuals.

A more useful figure than the gross volume for measuring the size of the market, but necessarily only an approximation, is the "net size," This is obtained by netting out from the gross total that portion of interbank deposits which are created as a result of the movement from bank to hank of Eurofunds en-route to their final use.

Taking account in this way only of banks' function as' original sources or destinations of funds, the net size of the mar-ket last year was estimated at \$480bn. This was 26 per cent

Euromarkets maintain that the strong or weak currency coun-volume of externally-held funds try, which would put a similar.

issues in the Eurobond

market last year, by more than

\$3.4bn to \$14.1bn, was headed

by a fall of \$4.1hn in the amount

of U.S. dollar-denominated issues. This reflected investors'

reluctance to acquire bonds denominated io a depreciating currency and to make long-term

commitments when three and

six-month Euro-dollar interest rates had risen above long-term

There have been signs of a

change during the first quarter

of 1979. According to recent Morgan Guaranty Trust figures,

Eurobond issues amounting to a

total of \$4.9bn were launched

in the three months to the end of March last, a net increase of

\$1.3bn If compared with figures

for the corresponding period

The share of dollar-denomin-

ated bonds in the overall figure

of new issues of Eurobonds in the first quarter of this year has

moved up in 1979 if figures are

compared with the correspond-

ing period of 1978. Dollar bonds

accounted for \$2.7hn out of a

total of \$4.9bm compared with

\$1.7hn out of a total of \$3.5hn

The change of attitude of the

during the first three months of

last year.

EUROBONDS

New issues

pick up

The decline in the volume of digest a sharp fall in interest

Bundesbank, for greater supervision and control of the market.

The Bank of England, on the other hand, argues that the supervisory framework is hasically adequate as it stands. It views the Euromarket merely as

Certainly the Euromarket, because as a wholesale market it is more efficient than national banking sectors, has increased the mobility of international capital flows and the speed with which they react to expectations of exchange rate changes. .

larly for the non-dollar currencies. whose internationalisation has been comparatively recent. And the offshore market undoubtedly represents an alternative source of credit commarkets.
But whether the Euromarket

has in fact added to total world currency speculation, inflation or credit availability is a point not proven even for those central banks, like the Dutch. which make a general case in favour of better Eurocurrency control. Writing in its annual report at the beginning of this month, Dr. Jelle Zijlstra, the bank's president (and also the head of the Bank for Inter-national Settlements) said that it bad not been shown whether the Euromarket bad actually led to the creation of net liquidity over the last few years. occurred anyway.

There are several standard examples of credit and foreign exchange operations which point to the Euromarket's role rowing dollars or Deutsche reasons for the overall growth of the market in recent years.

Marks from Eurocurrency banks hased in London or Luxem, hourg can be thought of as carrying out an exercise which is basically a straight substitute for borrowing and the control of the market in recent years.

Although the OPEC surplus in has diminished since 1973, in has still by no control of the market in recent years. essentially as an extension of

weak currency is horrowed in higher than the end of 1977, the Euromarket and sold for a again a somewhat larger growth strong one could also be carried again a somewhat larger growth strong one could also be carried rate than seen on average during out in national banking markets 973-77. — always assuming the lack of Critics of the operation of the capital controls in either the

THE RAPID GROWTH over the has helped fuel currency speco-dampener on this kind of Euromarket which has talest few years of the Euro-lation, spurred world inflation foreign exchange activity both place since the end of 1973. Currency market—the market by undermining national money in the Euromarket and in the Official and near-officence of the control of the currency market—the market by undermining national money in the Euromarket and in the

of the Euromarket overlaps in Latin America, as well as some large measure with figures that of the smaller industrial are already counted in indivi-dual countries national money supplies. For example, dollars placed in the Euromarket by banks in the U.S., or D-marks switched into dollars by banks. in Garmany, show up in both acts of data.

Comparisons

For this reason, Morgan Guaranty has pointed out that comparisons between the sizes of the various currency sectors of the Euromarket and those of national money supplies should of exchange rate changes.

The Internationalisation of the non-bank portion of the currency holdings also undoubtedly makes monetary control more complicated—particuses that the Eurodollar control more complicated to the currency holdings also undoubtedly makes monetary control more complicated to the currency control more contro portion of the Euromarket in mid-1978 was equivalent to about one-tenth of the aize of the broadly defined U.S. money supply.

pared with national banking about the ill-effects of the markets. is agreement on one basic point: the success of the market's recycling role.

Because of the lack of regulatory minimum reserves and the essentially wholesale nature of their business. Eurobanks can take large amounts of funds on to their books and lend them out again at more favourable rates of interest for both depositor and borrower than could be obtained on national banking markets. Thus, they were arguably the best possible institutions to take on the burden of financing the very or whether this would have large world current account disequilibria which arose in the aftermath of the OPEC oil price rise in October, 1973.

Demand for large balance of payments financing to an extent going beyond the resources of

for borrowing dollars from countries on which it is now hanks in the U.S. or D. marks concentrated have—as expected —not significantly developed their own banking and credit their own bankin a major role i deficit countries.

At the same time, the overall world imbalance since 1974 has remained little changed with the emergence of a large deficit in the U.S., increase in the surpluses of the bard currency industrial countries, and a maintenance of the natural large deficit positions of the

non-oil developing countries.

Closely related to the buildup of large surpluses and deficits io recent years, an increase in overall world foreign exchange reserves provides another factor (this time from the supply side) for the growth of the Euromarket. Official exchange holdings as measured by the LMF reached \$235hn hy the end of 1978, divided roughly half each between the indus-trialised and developing parts of the world, compared with \$122bn at end-1973.

The developing countries in particular bave placed substantial portions of their greatly increased reserve holdings on to the Euromarket in recent years. According to Morgan Guaranty, this type of investment may have accounted for clase to one-third of the \$320bn increase in the net size of the

Euromarket which has taken

Official and near-official monetary institutions from countries have also stepped up their Euromarket deposits, many of them in D-Marks, Swiss francs and even yen as part of a gradual policy of reserve diversification away from the

A significant part of the deposits have represented the proceeds of medium-term Euromarket credits raised by govern-ment borrowers, which the central bank places back on to the Euromarket as a three or six-month deposit when there is no immediate need for the funds in the country's banking system.

Such reflows becoming increasingly prevalent now that many large developing country borrowers such as Brazil, Argentina or Malaysia have comparatively healthy current account positions—have recently been criticised by the Bundeshank as representing an "overcycling" of funds.

Declined

Mirroring the reserve diversi-fication trend apparent for several years now, the dollar has declined in dominance as the main currency medium on the Euromarket. It accounted for only 66 per cent of Eurodeposits in the European reporting area. last year against 72 per cent in 1977, while the D-Mark and Swiss franc increased their abare to 18 per cent and 7 per cent from 13 per cent and 5 per cent from 13 per cent and 5 per cent from 15 per cent from 1 cent respectively — although admittedly part of the increase was caused by valuation effects.

The trend illustrates the general Internationalisation of the market which is also reflected by the relative increase in importance of lending and deposit taking centres in the Far East and the Carlbbean in recent years.

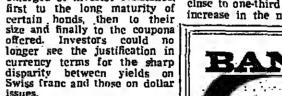
But it has particular significance for the West German, Swiss and — to a lesser extent— —Japanese banking authorities, which naturally enough have more difficulty controlling the world-wide supply of their currencies than simply that portion contained within their own borders.

· Internationalisation of nondollar currencles tends to be resisted by national authorities. But, as Amex Bank pointed out currency review last ling their excess dollars into month, the larger the share of non-dollar currencies in the world money market, the greater the independence of these countries currencles from the effects of U.S. monetary

policy. In fact, West Germany last year was following a combination of two mutually inconsistent policies. On the one hand, it was beloing augment the ex-pansion in world liquidity by buying up large amounts of dollars in support intervention. On the other, it was complaining about the natural consequences - rapid growth of the Euro-market and increased internationalisation of the D-mark.

The policy conflict was partly resolved by the U.S. decision announced in November to borrow ahroad, for the first time substantial amounts of foreign currencies. The move holstered the dollar, but at the same time cemented the status of the D-mark as a fully fledged reserve. asset — and may preclude a-more relaxed attitude of the German authorities to the growing role of the D-mark on the Euromarket in the next few

David Marsh



The result was that Swiss banks had to admit publicly that some Issues had been undersubscribed. Prices of new issues fell, very heavily in aome instances. in the secondary hond market. The investors' strike lasted into April. Before then the three big Swiss banks had decided to freeze all public issues until after Easter in order to allow the market to breathe. They decided to reopen it early this month.

rates and a high volume of new

In late February signs emerged of investor resistance,

paper without much effort.

Curtail

The crisis was less serious in the DeutscheMark sector where the capital markets subcommittee was able to curtail the new Issue calendar. Condltions have been difficult, however, with many new issues

The change of attitude of the trading at a discount.
In the yen sector the amount best shown by recalling what of new issues has been cut just happened in the Swiss franc before the launch on various foreign bond market in MarchApril. The very rough ride at a steep discount. A Y10hn investors have given the Swiss issue for Eurofima last month banks followed a two and a half month period in which the Swiss "swallowed" by the managers are the most next the most next the most next the most next the swiss is the most next the most nex market had been able to have for the most part.
it hoth ways. Institutional In the dollar sector, issuing

it hoth ways. Institutional in the dollar sector, issuing investors were flush with funds. was belied by a variety of demand was above average and factors. First, the U.S. currency this enabled the market to was looking strongar than dur-

CONTINUED ON NEXT PAGE.

CASSA CENTRALE DI RISPARMIO V.E. PER LE PROVINCE SICILIANE

Head Office: 25 Viale dell-Arte - 00144 Rome, Italy

Representative Office in: LONDON EC4R OBE, 8 Laurence Pountney Hit. Tel: 01-626 3122/3/4. Telex: 887671 IMI London

Other Representative Offices in: Washington, Zurich, Brussels, Mexico City.

Regional Offices In Milan, Turin, Genoa, Padua, Bologna, Florence, Rome, Bari, Naples, Catania.

Monetary values in U.S. dollars were calculated at the exchange rate of Lire \$29.75 to the U.S. dollar.

ISTITUTO MOBILIARE ITALIANO

INDUSTRIAL FINANCE

a broad range of specialised financial services

Capital and reserves Lit.85,474,000,000

228 Branch Offices in Sicily

Consolidated Balance Sheet at December 31, 1978

	ASSETS
	Cash and funds on demand
	Securities and investments
	Bills and current accounts
Ī	Agricultural loans
	Ordinary mortgage loans
	Land and public building
	loans

385,555.651,588 1,010,772,977,720 650,073,335,187 310,672,686,335 97,497.645,292 448,179,465,366 117,129,834,657 Other investments Miscellaneous 579,166,548,224

TOTAL ASSETS 3,599,048,144,369 Contra Accounts 1,460,796,663,580 GRAND TOTAL 5,059,844,807,949

-Medium- and long-term financing for industrial

at low-interest rates (small and medium enterprises,

Southern Italy, depressed areas of Central Northern

Financial assistance for the promotion of Italian exports and activities abroad (export credit financing; buyer credit)

-Technical and financial consultancy and assistance services, either directly or through affiliated companies,

-Aid for industrial research and development

at market rates

-Equity participations

-Loans in foreign currencles

-Sbipping finance

Italy, etc.)

LIABILITIES Deposits and current accounts Land credit bonds issued Deposits and current accounts of Banks and

six banks, an important partner in those italian regions, that count for much.

330 branches... and behind each counter the organization and the efficiency of six leading popular Banks, which have joined their programs and work in the

These six Banks, together have not only the size of a big Bank, as regards Customers and Service, but something more, too: the opportunity of being in close relations also with mall limps, of being present where there is the real economic life. Lombardia, Venetia, Emilia produce, alone, 37% of Italian output.

Banca Agricola Mantovana

Banca Popolare di Verona

Banca Popolare di Bergamo Banca Popolare di Modena

Banca Popolare di Sondrio

Banca Popolare di Vicenza

six Banks and a common work.

at the big enterprises', as well as

the small industries' service.

GRUPPO NORDEST:

and carry out 48% of Italian Foreign Trade.

(RUPPO**NORDEST**

110,726,174,757 31,078,537,735 1,007,252,636,603 Miscellaneous

specialised short- and medlum-term financing: leasing; underwriting; technicat and financial consulting; introduction of Italian enterprises on foreign financial markets; mutual investment funds; auditing;

IMI raises funds on the Italian and foreign capital

markets principally by floating bonds which are isted on the stock exchange and very popular among small

Subscribed capital and reserves: 838 billion Lire Loans outstanding including special operations as of December 31, 1973: Lire 12,332 billion = \$14,862m. Placed and outstanding bonds as of December 31, 1678: Lire 9,900 billion = \$11,931m.

Other medium term horrowings as of December 31, 1978; Lire 1,517 billion = SI 839m.

TOTAL LIABILITIES 3,512,423,499,566 Capital and reserve funds Net profit

Contra Accounts

GRAND TOTAL

2,814,302.389 3.599.048.144.369 1,460,796,663,580

1,903,454,107,971

459,912,042,500

5,059,844,807,949

83,810.342.414



BANK INCORPORATED UNDER PUBLIC LAW

Capital Funds and reserves

Lic. 211,569,804,482 Head Office in Naples

Representative Office of the General

Management in Rome

500 Branches in Italy

Branches abroad : Buenos, Aires M New York

Representative Offices abroad: Brussels = Frankfurt-am-Main = London New York # Paris # Tokyo (through A.I.C.L-Holding S.A.)

Zurich

Representative for Bulgaria: VITOCHA-Sofia

Banking Associated Companies abroad:

M A.I.C.I. - Holding S.A. - Luxembourg

■ Italian International Sank Limited, London

italian International Bank (Channel Islands) Ltd., Guernsey Luxembourg Italian Bank, Luxembourg ■ Euramerica International Bank Ltd., Nassau

Correspondents throughout the world

INTEREST RATES

Spreads range narrows

A RISING number of banks with international aspirations. plus the liberal quantity of dollars in world circulation, have made the last 18 months a comfortable period for those interested in raising or refinancing medium-term syndicated loans with floating rates of

borrowers have focussed their attention on fees "spreads" to such an extent that it sometimes seems as though they have forgotten that the chief component in the cost of their borrowing is the Ruro-currency interbank rale itself, to which their loan intcrest is pegged. Pride has influence here-because the soread is such a visible sign of apparent creditworlhiness but it must also be admitted that some borrowers have reduced their cost of borrowing substantially. Argentina, for Instance, trimmed its interest cost on new loans by 1 per cent between autumn 1977 and

Yet what is marginal, or not so marginal, to the borrowers is of crucial importance to the banker. The spread above interbank raic and the initial fee account for nearly all of his income in the syndicated lend-

ing business.
Over the last 18 months international banks have watched their income from this business dwindle. Some have protested that there was a certain level of spreads below which they would not participate in the game. Citibank said: "One per cent and no lower" and was soon forced to capitulate.

Aloof

Until recently, major U.S. banks had been holding out on spreads of per cent. One example is Morgan Guaranty which for two years remained aloof from credit facilities arranged for Electricite de France (EDF), one of the mar-ket's most aggressive and prestigious borrowers, because It thought the margins were too. thin. But then, at the end of April, it came back into the business, co-manazing a loan for-EDF on which the spread was marginally under 1 per cent.

Loans are a commodity whoseprice is in the grip of market forces, and bankers explain. that If they are to preserve credibility in the market they against the banks at the of spread at which the break a risk and a reward that can

AVERAGE SPREAD*

(per cent p.a.) Borrowing countries with a maturity of at least three years completed or aigned during the period

commitments, but borrowers are using to the full their rights to termioate existing loans and refinance on new and cheaper

The accompanying OECD table sbows bow the spreada in the lending business came down in the year 1978. It ahows in particular that it was the spreads on loans to less solid develop-ing countries which came down They dropped from 1.46 per cent on average at the end of 1977 to 1 per cent at the end of 1978, and the trend has continued into the current year.

The interesting thing is that it is the charge for risk—ona of the least tangible costs in the lending husiness—which has come down most sbarply in the present climate of competition. Ever since last autumn the spread for the prime borrower has stuck at close to the 1 per cent mark. EDF bas come close to organising a loan at a spread of 3 per cent but the banks halked at this level. Even the latest loan for this French agency involved only a very marginal-some would say cosmetic-reduction of the loao cost below } per cent.

This suggests that at this level the spread gets close to the point where banks in general cease to make money through participating in syndicated loans. Of course this would not be a deterrent for a particular bank. It might regard a loan as a lossnight regard a loan as a lossleader, with the cost to be recouped en other more profitable can use short-term money within
husiness with the borrower, or that six-month period. Tater when conditions in the

moment; they know that they even point is reached. The have to honour their lending interest on any loan should equal the cost to the bank of the funds, plus the rather higher cosl of the capital element in the loan, plus the cost of the loan risk, plus the cost of processing and monitoring the loan, minus the front end fec (annualised over the life of the loan). This is the basic equation of syndicaled lending and each of its clements provides scope for much discussion.

Closest

The Cost of Funds. The London Inlerbank Offered Rate (Lihor) has to be the starting point here, for it is the cloaest approach to the going market rate for Eurocurrency funds. If any bank bas access to cheaner funds—say frnm the Middle East or from rctail deposits in the U.S.—then it could make a riskless return hy simply deposition them in the interbank market. So far as the lnan is concerned only the margin above the market rate loan itself. An alternative argument is that whereas an individual bank may be able to offer cheap loans on the basis of cheap money banks as a group

Another way for a bank to cut the cost of funds is through maturity transformation. There are really two stages of maturity transformation in a syndicated loan. First, banks make a ten year commitment, and finance it on what is basically a six-month

The first type of maturity shift market Improved. But this argument could not hold for the
international banking cominternational banking cominternational banking cominternational banking cominternational banking cominternational does not really enter into the
profitability equation because
the interest on a loan is pegged
to six-month rates and not to ten-Indeed when one analyses the year rates. The argument against canoot avoid making loans at breakdown of costs and reward taking account of the second what is the going rate. Yet in a "standard" syndicated type in assessing loan profit-conditions are truly stacked loan one can calculate the sort ability is that it is, once again.

be achieved lo the interbank many banks look for in arrang-

make varies widely too. The
Bank of England is happlest

Equation with a ratio of earnings assets to capital of about 20 to 1. that some 4-5 per cent of any to be financed out of capital half per cent to make figurea will serve as a guide.

priate risk charge on every cent. such a practice is widespread, and probable that It is In refusing to face up to the intangible cost of risk that the resistance in spreads which appear to undermined. The only guide to the cost of risk in the syndlcated loan business in general is an estimate a year ago by Wallich of the Fed that recent loan losses on foreign loans averegad one-third of one

This is very difficult to quantify loan on a running basis. One large U.S. bank charges its loan officers approximately 0.05 per cent, per annum, on the loan conditions in the Eurodollar. amount for them to build into market—but there is no sign of their assessment of each loan's that yet. profitability. Front End Fee. This is what

market without recourse to a ing a loan because it is eash in loan at all. the hand, and because a dispro-So Libor is as good a guide portionate amount of the overall as any to the cost of funds for fee used to go to the lead banks relending, though being an in any loan. The competitive relending, though being an in any ...

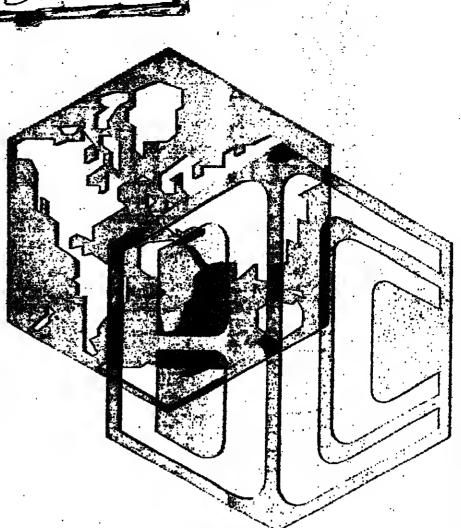
offered rate—the top end of climate has both evened up the a spread—the average cost of distribution of this initial payfunds to banks will be some 1/16 is now down to i per ceot of loan amount—or less. The Cost of Capital. This the loan amount—or less, is the joker in the pack because Spread over the life of an capital ratios vary so widely eight year loan this represents and because the return on an addition to the spread of capital which a bank needs to

If all these assumptions are fed into the basic equation of loan profitability, it turns out loan made by a U.S. bank in that a typical U.S. bank would London would probably have need a spread of just over oneand that the return on this adequate return on capital in capital would have to be about lending at the global rate of 16 per cent. The variations risk mentioned. A required here have a big impact on return on capital of 20 per cent acceptable spreads—but these would raise the needed spread to ahout ? per cent, whereas if The Cost of Risk. Some the bank were allowed to raise banks have developed elaborate its capital-to-assets ratio to 35 systems to make sure that to I the spread needed for an their annual loans loss provided adequate return on capital their annual loans loss provi- adequate return on capital sions are funded from an appro- drops rapidly down to 0.4 per

All these calculations are very much rule-of-thumb but it ia interesting that they produce figures for the resistance level of banka to poor conditions in coincide with the area where the international banks have actually closed ranks in refusing further erosion of their margins.

The worryine aspect is the way in which the return on all loans is sliding ever closer to the spread charged to the best horrowers. Even the upset in Iran, which should have served Handling and Monitoring Cost. as a good example of how solid creditors can be transformed into shaky ones has done nothing to reverse this trend. Hopes are pinned now on a

Nicholas Colchester



The way to look at international banking is through BCC

The Bank of Credit and Commerce International was born international a fact which has certainly helped its growth. The BCC Group now has offices in 38 countries. Capital funds stand at over US \$170 million and total assets exceed US \$2.8 billion.

Whatever your international banking needs, a talk with your local BCC manager could be very useful. Speed, efficiency and your convenience are what count at BCC.

Contact us at any of our offices - there are 45 in the United Kingdom alone - or get in touch at the following address.



BANK OF CREDIT AND COMMERCE
INTERNATIONAL IN

New issues

CONTINUED FROM PREVIOUS PAGE

ing much of last year. It sppreciated against the strong respective advantages of each
currencies despite the rising market.

There are exceptions
course, a small number of wi price of oil and a not too happy outlook on the U.S. domestic little to chose between London and New York. In Europe com-

rowers were offering attractive coupons. There was also a shortage of paper as dealers csn no longer afford to finance sizeable amounts of stock.

New issues merely trickled into the market—except in February, when over \$1bn worth of new paper flooded the market in

much on the performance of the dollar if it holds up well investors will not seek Deutsche marks, yen and Swiss franc companer at lower coupons than U.S. dollar ones aimply for the sake of currency appreciation. sake of currency appreciation.
The major obstacle to any large-scale diversification of portfolios remains the low availability of non-dollar paper. This is still true despite the increase in the amount of DM bonds floated, the re-emergence of the Canadian dollar sector after an 18-month closure, and the more limited possibilities offered to investors by French franc, Kuwsiti dinar, Dutch guilder or Swiss franc paper.

attracted both by the speed with which they can mount an operation as compared with and go professional bond dealer New York and by the possibility in a selling group can re-allow of including early redemption more than 0.25 per cent in disclauses in the bond offerings. count if selling to another pro-This latter point must be fessional dealer. If he is selling atressed at a time of historically to a private investor, he must high interest rates. While corporate treasurers may be willing to pay the market price for money, they have no wish to be saddled with such paper in three or four years' time in New York because most of

influx of U.S. names into the bond market to emerge, they Eurobond market and the fact could be delected with ease. that last year nearly half the In the Eurobond market, the new dollar issues by intar-Association of International form of Yankee bonda has It is quite impossible to tell prompted an increasing number which among the bond homes

In terms of costs there seems

nflation rate front. and New York. In Europe com- ing when the commission struc-Interest rates moved down missions are higher and costs ture allows bond salesmen to and then up. By early spring the concensus was that they had not peaked. But then borevery six months as is the practice in New York. Legal and printing costa are higher in New York, not to mention the New York, not to mention the a comfortable living by ke cost and time it can take to register with the Securities and Exchange Commission.

Ratings

This led to a fall in secondary

The Eurobond market is market prices, but after a few decidedly less discriminating weeks the market had absorbed the oew issues and was again looking for new paper. Future developments depend were to be introduced to the form of the for ratinga were to be introduced. These practices are hard to to the Eurobond market. For change because major institucame from the Eurobond market last year.

Thare is no sign that this pattern is undergoing any change at present.

Another major difference is the way in which the bonds are placed in the two markts. Bond houses in Europe have tended to underprice issues and pass on part of the commission to investors in the form of dis-counts, thus in effect offering them chean hands. Toucher them cheap bonds. Tougher will New York type practices conditions in the Eurobond eventually prevail in the Euro-Tapping

More and more U.S. corporate names are tapping the Eurobond market. They seem to be attracted with a practice; at least the institutional investors gain the stitutional investors gain the stitutional investors gain the stitutional investors.

Helped

New issue

when interest rates are the business is done business expected to be below current a small number of bone bouses, about a dozen. Were such practices as seen in the Eoro-

national borrowers were floated Bond Dealers hoasts more than in the New York market in the 450 members from 27 countries.

There are exceptions of course, a small number of which are well known, but there is no way of knowing who is cheat-

The result is that quite a few fly-by-night operators can make a comfortable living by keeping the 1-1 per cent underwriting commission and dump the bonds they have been allocated at a

dtscount. The result is, very often, a sharp fall in the price of a given

bonds when they cannot sell them, even if they have obtained a mandate to arrange the hond in the first place by offering borrowers terms which they know investors would not accept. This underpricing is a recurrent feature of the market.

Attempts by European banks to introduce such practices in the U.S. met with a sharp retort back in 1977. The question today seems to be:

New issue activity in the Eurohond markel this year has been at near record figures, the second highest quarterly volume to date according to recent figures released by Kredietbank Luxembourgeoise. The new high level of coupons which borrowers are prepared to accept, though very few among them are prime names, helped the new issue market. The turning of the tide in favour of the dollar, while hitting the bard currency bond sectors, has helped the U.S. dollar sector. The huge amount of liquidity which has been locked into sbort-term instruments is just

beginning to move into bonds. With the dollar continuing stable and interest rates near their peak, this move could hecome a rush at some point in the year.

Francis Childs

For prompt, smooth-functioning banking services worldwide, consider the streamlined facilities of the EUROPARTNERS



The EUROPARTNERS offer an extensive range of standardized banking facilities to serva the internation- on naw business opportunities in al financial needs of an increasingly diversified cliantele. Customers of any one EUROPARTNERS bank automatically benefit from immedi- For a streamlined approach to inate access to the combined resources of the other partner banks. The EURO-

PARTNERS provide local market expertise and rapid information over 60 countries, through more than 4,600 branches, subsidiaries, and other outlets the world over. ternational banking, call on the

EUROPARTNERS, In Europe and throughout the world.

BANCO DI ROMA · BANCO HISPANO AMERICANO · COMMERZBANK · CREDIT LYONNAIS

Financing the State

THE STRONGEST influence on East Asia. Swedisb banking at present is the national budget deficit. Last increased five-fold in the course year its effect was to help boost of three years to over SKr 33bn bank earnings but this year and (£3.7bn, \$1.5bn) in 1978. This in 1980 the authorities will need year it will reach over to take firmer action to mop up SKr 40bn and the Government's Ilquidity and hold down infia-current spending schedules tion. This action is likely to together with growing public complicate banking operations, discontent over beavy taxation

finances bas, however, provoked some re-examination of official four years.

credit policy and control In 1978 the major part of the credit policy and control In 1978 the major part of the methods and belped to stimulate deficit was financed through the thinking about the inadequacies of the Swedish capital market. Changes in both these fields will SKr 2bn. Roughly one-third of require political decisions and the deficit was funded on the are, therefore, unlikely to take capital market, which took up place until after the September some SKr 11bn in Government general election.

The other current feature of special interest on the Swedish scene is the larger banks' efforts to extend their bridgebead on the international capi-tal markets. After consolidating State bonds. The proportion of their operations in Europe the State and bousing bonds (the/ and cash quotas as regular in-big banks are turning thair banks are obliged to take up a struments of intervention by March, 1979. In this way the attention to the U.S. and South—given amount of housing bonds tha Riksbank, whila tha other banks were compelled to place a

NORWEGIAN BANKING is experiencing a period of unusual ferment. The bank

inusual ferment. The bank "democratisation" Act is being challenged in the High Court.

Opposition to the growth of the State banks is intensifying and

is even being volced in official quarters. After a partial easing

of interest rate controls at the

end of 1977 a State commission

is expected to report later this

year in favour of further

Finally, bankers have been

arguing in pubile the need for

greater concentration of both the commercial and savings

banks through mergers, a

development which would apparently not be opposed by either the Government or the

within Norwegian banking has

also bad some more negative

stimulation this year. Andresens

Bank, the fourth largest com-

merciai bank, passed its 1978

dividend after writing off losses

Bank of Norway:

general

The national budget deficit offer little scope of reducing the deficit during the next three or

banks. Foreign borrowing by the State was restricted paper, or only SKr 2bn more than in 1977.

bank, announced that it bad lost

NKr 50m (\$10m) on currency

dealings last year and was reducing its dividend from 9 to

The High Court is hearing

the State's appeal against the city court's decision that the law "democratising," the com-

mercial banks does not offer

adequate compensation to share-bolders. A group of 68 share-

holders from 14 commercial

banks bas clauned that the Act,

which came into force in January 1978, violates the con-

by depriving them of control of

the banks the Act amounted to

appropriation, for which under the constitution they should be

paid full compensation. This.

tbey suggested, should be based

on the banks total assets. The Act offers shareholders who object to the chances in the

councils the

The sbarebolders claim that

stitution.

incurred on shipping loans and right to sell their shares to the through the liquidation of a State either at the market price

sheets rose from 19 to 24 per "particular reason" arises. cent during 1978.

Nordic countries, Sweden has wide range of instruments to while the size of the banks' hand, including the right to fix deposit and lending rates, the application of variable liquidity application of variable liquidity. given period for the growth in last 12 months to counter the

institutions. panies can also be obliged to of the budget deficit, take up fixed quotas of State and bousing bonds. Only the Skandinaviska Ensi The commercial banks, bow- Stata Debt Offica is authorised ever, increased their lending to to issue bonds without a permit bad their liquidity ratios in-the State by close to SKr 15bn, from the Riksbank. The Act creased by no less than 14 points of which SKr 13bn went into defines the application of to 37 per cent of deposits and liquidity reserve requirements some other liabilities between

NORWAY

Ferment of public debate

The Osio. City court did not

accept the claim that compensa-tion should be based on the

banks' total assets but conceded

that the constitution entitled

sbareholders to compensation

for the probable value their

share would bave bad on January 1, 1978 bad the Act not been passed. Compensation

based on the average price over

three years would be unfairly

low because bank sbares feli in

value when the Labour Govern-ment announced its plans to

Should the High Court upbold

the city court's decision the "democratisation" Act would

be considerably more expensive for the State. The cost would

depend on bow many share-bolders decided to sell, but a figure of between NKr 4bn and

The challenge to "democrati-

NKr 6bn bas been mentloned.

democratise" the banks.

ing three years.

finance company. Bergen Bank, on January 1, 1978, or at the cation of the campaign against on them under the Monetary the second largest commercial average price over the preced-

sation" of the commercial banks compelled to take up under the has been paralleled by intensifi-

In practice the Riksbank In common with the other operates as much through "gentleman's agreements" with legislated fairly strict control of the banks as through directives. the credit market. Under the There is, for instance, an 1974 Credit Policy Act the "understanding" with the banks Riksbank (central bank) bas a about interest rates on advances,

reserve requirements on the ment is the liquidity require-banks. cash quotas and the ment and the Riksbank has ability to set e ceiling over a made frequent use of it over the lending by the credit swift growth in bank deposits which started during the second Banks and insurance com- half of 197g under the impulse

The two largest private banks, Skandinaviska Enskilda and Svenska Handelsbanken, bave

the State banks. Last year the state banks accounted for 45 per The Covernor

ment announced its intention to

rates to industry, housing, agri-culture, fisheries and student

education. They account for

some 80 per cent of housing

credits and a large part of industrial credits, not only for State manufacturing companies

but also for private industry.

and insurance companies are

State banks accounted for 45 per cent of lending to the public compared with 25 per cent in 1950, and although the Govern
and Credit Act.

The Covernor of the Bank of Norway, Mr. Knut Getz Wold.

has pointed out that as recently as 1975 lending by the State

curb this expansion in its latest blined lending of the commercial

budget statement, the credit and savings banks, whereas last

annually) on their balance measures are to be used when large part of the new deposits in State bonds.

The Riksbank also laid down a guideline for lending by the commercial banks. Advances for purposes other than the obligatory housing bonds were in principle to be restricted to per cent last year (loans financed abroad were excluded). In effect, total lending by the ness climate. Demand for banks exceeded the guideline. credit from industry was low. The same 9 per cent limit bas The expansion in deposits and been indicated for the bank lending this year but with the tions to industry did, bowever, added proviso that banks which exceeded the limit last year their liquid assets substantially, should hold back advances to The recovery in the general conform with the 2 x 9 per cent

scope.
The banks' earnings suffered in no way last year from these controls, mainly because of the interest rate policy pursued. The Riksbank reduced the official discount rate three times last year by a total of 1.5 per cent at the same time as the long-term rate on bonds and comparable loans was raised by 0.25 per cent. The widening of

corded last year.

likely to be threatened this year, there is growing concern about the effect of the steep growth in the money suoply generated by the hudget deficit and about the capacity of the capital market and credit system to cope with the monetary explosion. The rate of growth in the money supply bas been of the order of 17 to 18 per cent over the past

Facilitated

Control of bank lending was facilitated last year by the busiincrease in Government allocaenable companies to build up economy, led by the growth in exports which is already apparent this year, suggests that business will want to spend more. Inflationary pressures can be ex-pected to develop and credit policy may be inadequate to cope with them.

State borrowing abroad bas already been stepped up this few year and will finance a larger dema portion of the budget deficit. Issues of premium bonds by the State Debt Office bave also been increased and bave occasioned queues outside the office and banks on issuing days, but the capital market is not organised to sweep np private savings. At

the gap contributed strongly to the same time the regular capithe 30 per cent increase in tal market institutions—the commercial bank profits reinsurance comparies - have While bank earnings are un- little scope for increasing their

placements. It is already apparent that the commercial banks will again be called on to finance the larger part of the deficit. It is equally evident that, if the banks are to play their traditional role in business and consumer mance, this situation cannot continue indefinitely. In the revised budget the Government proposed to open "liquidity equalisation accounts" in the Riks-bank into which companies would be induced by favourable interest rates to funnel their

Another effect of the situation generated by the budget deficit was the change last year in the sources of "business" lending-Commercial bank advances to business declined from SKr 8.4bn in 1977 to SKr 6.4bn, while the State contribution grew from SKr 3.3bn to SKr 6.2bn.

The major private banks bave traditionally been the main source of domestic credit to industry. Each bank bas been tightly linked to its own circle of business enterprises. This system bas been loosened up considerably over the last few years as companies' demands for finance bave grown and the two leading banks, Skandinaviska Enskilda and Svenska Handelsbanken, have had to compete for private

Nordic Correspondent

PROFILE

Carl-Henrik Nordlander

CARL-HENRIK NORDLANDER was brought out of retirement in the autumn of 1975 to become (central Riksbank Governor after victory of the Swedish non-Socialist parties. He took the job for the threeyear Parliamentary period and will leave the Riksbank when the new Parliament convenes after the September general

election. He came into banking is 1961 when he was appointed managing director of the State-owned Kreditbank. Trained as a lawyer, he warked as a judge before being "lent" to the Agri-culture Ministry.

Mr. Nordiander arrived at the Riksbank with the intention of curbing its control over the banks. Consideration for Sweden's enlarged payments. deficit in the national budget bas allowed bim only to loosen np interest rate control mar-ginally and slightly ease cur-rency restrictions, but be believes that these small moves towards greater freedom for the banks must be followed up

Recently Mr. Nordlander has the two leading banks, imaviska Enskilds and pressed the Government to issue bonds carrying tax-free to compete for private to compete for private the threat its eplarged borrowing was posing to Sweden's infant capital market

W.D.

banque française commerce extérieur

Head Office: 21, Bld Haussmann-75009 PARIS

IN FRANCE

Branches in the Poris suburbs

"CERGY" PONTOISE-CRETEIL-"LA DEFENSE" PUTEAUX-"PARIS-NORD" LE BLANC-MESNIL-RUEIL-MALMAISON-SAINT-QUENTIN-EN-YVELINES-"VELIZY" VILLACOUBLAY.

Provincial Branches BAYONNE-BORDEAUX-DIJON-GRENOBLE-LE HAVRE-LILLE-LIMOGES-LYON-MARSEILLE-NANCY-NANTES-ROUBAIX-ROUEN-STRASBOURG-TOULOUSE

FOREIGN COUNTRIES

BRANCH NEW YORK Olympic Tower 645, Fifth Avenue, N.Y. 10022.

Representative Offices ABIDJAN-BANGKOK-CARACAS-JAKARTA-KUALA-LUMPUR-NEW YORK-SAO PAULO-TEHERAN

Commercial Delegates

ARGENTINA-COLOMBIA-MEXICO-NIGERIA-PHILIPPINES-SOUTH AFRICA—SOUTH KOREA

Seven Years Growth

Group

BV - one of Germany's major banks reports:

1971 Bayerische Vereinsbank

Group 31.12.71 Total Assets 23,654 Due to Customers 9.216

Due from Customers 6,619 Bonds Issued 11.018 Mortgage and Public 🔩 Authority Loans 11,093

748 Capital Resources Consolidated Profit rulium at 13%

75,940 Total Assets Due to Customers 19.174 Due from Customers 17,104 40,368 **Bonds Issued** Mortgage and Public Authority Loans 40,548 1,784

Bayerische Vereinsbank

Capital Resources

Consolidated Profit

millions of DM

A record of consistent progress and international expansion since 1971;

Bayerische Vereinsbank Head Office International Division Kardinal-Fauthaber-Strasse I D-8000 München 2 Telephone: (089) 2132-1 Telex: 529921 bvmd

Bayerische Vereinsbauk International S:A 17, rue des Bains Bone Postale 48 Luxembourg Telephone: 4286 i f Telex: 2652 by lu

Union Bank of Bavaria (Bayerische Vereinsbank) New York Branch 430, Pask Avenue New York, N.Y. 10022, USA Telephone: (212) 758-4664. Telex: 62 856 ubb aw

joined forces.

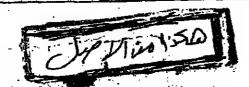
90

when Bayerische Vereinsbank

and Bayerische Staatsbank.



incorporating bayerische Staatsbank ag



schedule provides for an in- year it was twice as large. An crease of NKr 11bn in State allocation of credits in this form allocation of credits in this form could create serious problems. bank lending this year against NKr 5bn for the commercial and savings banks. he added. The private banks have made some inroads into the control system. In December 1977 The State banks purvey longterm loans at subsidised interest

was still smaller than the com-

control of interest rates was eased. The private banks were able to start offering attractive rates on long-term deposits, with the result that 1978 was the first year since the war when savers could get a higher rate on deposits than the rate of

inflation. The State banks raise their Concomitant with the easing funds by borrowing from the Government. The latter in turn issues State bonds which the of interest rates the bank of Norway started to issue "money market paper" or de facto Treasury bills at rates comparcommercial baoks, savings banks able to market rates. They are limited to the banks, to which tbey are auctioned off. There is now about NKr 4bn of these bills in the market.

Norwegian banks are not large by international standards. The largest, Den norske Creditbank (DnC) with assets of just over Krs 15bn (\$3bn) is about 240th in world ranking, while only two others, Bergen Bank and Christiania Bank og and Christiania Bank og Kreditkasse comes within the

As their foreign business has expanded the Norwegians have realised that their smallness puts them at a disadvantage in international banking. Discussion about the need for both the commercial and savings banks to merge into larger units bas revived this year with public statements from Mr. Tom Moursund, managing director of Chriatlania and chairman of the Bankers' Association, and from the chairman of DnC.

W.D.

PROFILE

Knut Getz Wold

KNUT GETZ WOLD has been a commanding figure on the Norwegian banking scene for a long time. Governor of the Bank of Norway for nine years, he was deputy governor for 12 years before that. As chairman of the Money and Credit Policy Commission he prepared the ground for the 1965 Act which bas since been the corner stone of Norwegian monetary policy.

During 10 years as Director of the Foreign Trade Division in the Ministry of Commerce he helped to organise the Marsball Plan aid for Norway and was bis country's regular repre-sentative in the OEEC and the European Payments Union, an experience which has turned him into a firm champion of international currency stability.

A proponent of the demand management school which bas dominated Norwegian economic thinking, the Governor is no believer in monetarist theory and quotes with relish jokes about Professor Milton Friedman. He argues that with the growth of the public sector in national economies the public sector borrowing requirement bas become a more important instrument of control in con-junction with the management of bank liquidity. But it is a fallacy in his view to believe that by controlling the general money aupply one can check

government spending. In the past couple of years, however, the Bank of Norway has led the campaign for the liberalisation of the Norwegian banking system which resulted in the lifting of controls on interest rates. And Mr. Getz Wold currently favours a loosening up of the system to allow market forces greater play within the economy.

HYPOBANK INTERNATIONAL S.A.



HYPOBANK INTERNATIONAL S.A. is a wholly-owned subsidiary of Bayerische Hypotheken- und Wechsel-Bank (Hypo-Bank) in Munich, West Germany's oldest publicly-owned bank and one of its largest with consolidated assets of more than DM 60 billion.

Operating in Luxembourg since 1972, we are engaged in all major Euro-currency activities, Our capabilities include international financings through short and medium term loans, foreign exchange dealing, money market transactions, import-export financing, and securities trading.

Over the past seven years, we have consistently strengthened our market position. Total assets in 1978 reached Lfrs. 56 billion (US \$ 1.9 billion) as compared with Lfrs. 41 billion (US \$ 1.4 billion) In 1977.

Earnings grew at a corresponding pace. Net profit in 1978 increased to Lfrs. 200 million (US \$ 7 million). Capital and reserves exceed Lfrs. 1.6 billion (US \$ 57 million).

37, bd du Prince Henri Case postale 453 Telephone: 4775-1 Telex: 1505 hypob lu, INTERN 2628 hypfxlu LUXEMBOURG

ij/t

WEST GERMANY

Heavy competition

WEST GERMANY'S universal of economic power is not with. One of the aspects most closely savings banks and the co-branch banking. At the same their polential to the valuable banking system gives the country's bankers a breadth of activity scarcely equalted any-where else in the world. Unlike Britain or the U.S., deposit and investment functions are not separated by lnw and the banks years ago. are free to offer the entire gamut of banking services under one roof.

The German banking system as it exists today was set up in the 1870s after the establishment of the Second Reich at the end of the Franco-Prussian War The masters of the new united Germany set themselves the task of rapid industrialisation and were shrewd enough to growing industry would create. Since its inception, the universal banking system bas had a profound influence on the country's industry—not only as leoders but as a major share-

holder in its own right. For instance, the German banks have major direct stakes in 22 of the country's top 350 commanagement companies, in very many more.

was first created bank participation in industry was envisaged.

This process was accelerated policy. during the depression that followed hard on the heels of de- are concerned ahnut the banks' feat at the end of the first

world war. The banks found have in recent years developed themselves with large quantities as important centres of Euroni virtually worthless shares on market operations, unhindered their hands, lodged as security by the strict loans-to-capital on loans that would never be ratios imposed on the domestic repaid. In other cases, companies market, were so heavily indebted to the Current were so heavily indebted to the banks that there was little alternative but to turn the loans into reporting of the Luxembourg

economic collapse in the after authorities. The authorities, math of the second world war. however, do not find the While in retrospect the banks arrangement totally satisfactory may have done very well out of and efforts are being made tothe deal, Germany has much for find ways of keeping a closer which to thank them. They were, eye on the Euromarkets, effectively, the sole source of But this is, perhaps, not the finance for the reconstruction of most serious attack on the war shattered industry, and it is banks' powers. In 1974 a Govfair to argue that without them ernment committee was set up there would bave been no econ-omic miracle, to investigate the universal banking system to determine if

Even so such a concentration and where reform was needed, the hands of the municipal

out its dangers and supervision is strict. Indeed the authorities tightened up an already tough system of supervision following the collapse of Herstat, the Cologne-based private bank, five

There sre two regulatory authorities—the Bundesbank, West Germany's central bank, and the Federal Banking Supervisory Office, based in West Bertin. The Supervisory Office is charged with the job of ensuring that the banks adhere tn German haoking law, while the Bundesbank monitors the day-to-day operations of the hanks from the point of view appreciate that a radically of monetary policy. It also re-organised banking system studies carefully the foreign swould be needed to satisfy the exchange returns to make sure exchange returns to make surc buge demands for capital that that no bank uver-extends itself.

Charter

The two authorities are independent of each other. They could hardly be utherwise. The Supervisory Office is a Government bureau, while the pantes and indirect stakes. Bundesbauk prides itself on its through holding and industrial charter which makes it one of the most independent central hanks in the world. Its first The concentration of share duty is to the stability of the holding power in the liands of currency and while, naturally. it works closely with the Tere upon them as actively sought. Government, there have been a number of occasions when it has

> Both authorities, however, Luxembourg subsidiaries, which

ulty, suhsidiaries' activities exists

Much the same was true in the between the hanks, and the

under scruitlny was the banks' operatives. industrial holdings.

The committee has still to repurt, but it is fairly confidently expected to recommend that a bank's holding in sny one company should be limited to 25 per cent of the equity plus one share. This is a solution that the banks, themselves, lavour, although no donbt they would prefer the status quo. However, such a solution would not only afford them tax advantages hut would also preserve the influence that such a "hlocking minority" affords in German corporate law.

However, Count Otto Lams-dorff, the Minister of Economics, has cume out in favour of reducing the banks' massive shareholdings for more drastically. He announced he was in favour of limiting the banks' holdiogs

to a maximum of 15 per cenl. Cnunt Lamsdorff—a member of the liberal Free Democratic Party and a former insurance man-is certainly no radical. He did not threaten Government action and suggested that tax enable the hanks to divest themselves of their holdings without suffering haancial loss.

It is clear that no hasty action is contemplated. A far wider equity market must be created before such a massive divesiment of holdings could be undertaken. However, Count Lamsdorff's views should be taken seriously and long-term change seems inevitable.

The banks, themselves, are at least in part responsible for the absence of a wide equity market. They have done little to wean the Germao saver away from the security of the savings account. Even the more sophisticated investor still tends to shy away from industrial shares and looks with more favour on the bond market.

Competition among the West German banks tends to take place on a sector-by-sector bssis rather than direct competition hetween the individual banks themselves. It is, perhaps, surprising for the casual observer to learn that although the "big Deutsche Bank, the Dresdener Bank and Commerzbank-are the most internationally known of Germany's banks, the bulk of the country's savings are in

Bundesbank figures for the combined business volume of all hanking sectors as DM 1,988bn. Of this, the girocentrals, the local-authority market, owned savings banks, the co- The operative central hanks and the local co-operatives contributed some DM 1.043hn.

In cuntrast, the three com-mercial banks and their West Berlin subsidiaries, the private banks and private mortgage hanks, with 53 foreign bank branches thrown in for good measure, produced a combined business volume of only DM 446bn. This is not the entire private sector but the lion's share of it.

In recent years the commerclal banks have ocen moving increasingly into the traditional the co-operatives-local with industry has tended to curb

operatives, through their central organisations, bave heen encroaching on the commercial banks' hunting ground, particularly in the international

Landesbanks,

which operate as contral banks for the local authority-owoed savings banks, have been particularly active in this. However, the cooperative central baoks are also becoming a major force in the market. At the same time all three sectors are feeling a certain amount of breeze from offers many hanking functions including ebequing accounts. the Euro-cheque service and

travellers cheques. For the foreign banker, howclal banks have been moving ever, competition has been far increasingly into the traditional more difficult. The heavy in preserve of the savings banks volvement of the German banks

time the savings banks and co- corporate lending market. Durinstance, the foreign hanks corporate lending has risen unly 24 per cent, while their interbank business has gone up by 130 per

> In contrast figures for the German banking industry as a whole show inter-bank credit growth up 103 per cent, while eredit to non-banking customers has risen by just under 75 per

Admittedly, the demand for corporate credit has been very slack since the oil crisis and the foreign banks do not have access to the consumer credit market. However, many foreign banks that even when complain corporate demand is high rebecomes a major

> **Guy Hawtin** Frankfurt Correspondent

CASSA DI RISPARMIO E DEPOSITI DI PRATO

With 20 branches in Prato and neighbourhood is the leading Bank of the most important textile area in Europe

For 150 years it has been involved in the growth of Prato's industry. Today it offers you a full range of international banking services, together with its special experience in the textile field

Highlights from Balance Sheet

AS AT 31.12.1978

with per cent change in respect of 1977 (in million lire)

1,229.873 + 44%**BUSINESS VOLUME** 579.041 + 40%**CUSTOMERS DEPOSITS** 380,449 + 58% **VOLUME OF LOANS** 27.117 + 61%RESERVES NET PROFIT FOR THE YEAR 2.101 + 72%800,490 + 42% BALANCE SHEET TOTAL (Complete unnual report in English minitable on request)

CASSA RISPARMIO PRATO Prato, Italy

Chairman: Silvano Bambagioni General Manager: Arturo Prospero Telex 572382 Pratoe I-Phone 15741 31087

Banque du Rhône et de la Tamise SA

Incorporated in Sentzerland with humbed halpluty

Head Office:

13 Quai de l'Ile 1211 Geneva, 11, Switzerland Tel: (022) 21 67 11 Telex: 22640

London branch: 8ankside House 107-112 Leadenhall Street EC3A-IAL Tel: 01-488 0808 Telex: 882171

Dr. Otmar Emminger

PROFILE

tary expert.

ALTHOUGH Dr. Olmar Emminger has been at the helm of West Germany's Bundesbank for just under two years, his service with the central bank stretches back over nearly three decades, during which be has built up an impressive reputation as an international mone-

He long ago earned bimself the unofficial tag of the "Bundesbank's Foreign Minister" and has played a leading role in most of the major world financial decisions of the 1960s and 1970s. He was closely involved in the moves to shore up the sagging British pound a couple of years ago, having earlier belped to carry out a similar operation for the Italian

His efforts on hehalf of ster-log must have called to mind director of the International ling must have called to mind his studies in Edinburgh and the London School of Economics, from which period stems his good command of English. Before that he had started studying economics in Berlin in the late 1920s.

Dr. Emminger was born into Catholic family in the Bavarian town of Augsburg in 1911. His father was once briefly Justice Minister in the ill-fsted Weimar Republic between the

Haviog joined the Bank Deutsche Laender, the forerunner of the present Bundes-bank, in 1950 when Germany's economic miracle" was still in embryo, he hecame member of the directorate in

From then on his progress through the world's leading financial institutions included a

Monetary Fund, an even longer period as vice-president of the EEC Monetary Committee, three years heading the influential Deputies Committee of the Group of Ten major industrial countries, and the chairmanship of the OECD's key Working Party Three, which covers international financial affairs.

Backed by such a range of experience and influence, it might have been thought that Dr. Emminger would be the ohvious candidate to take over the presidency of the Bundestant from the senerable Dr. hank from the venerable Dr. Karl Blessing in 1969. It was Dr. Karl Klesen from Deutsche Bank who took the post, how-ever, and Dr. Emminger bad to walt until June 1977 and his 66th year before finally step-plng into the president's shoes.

Andrew Fisher

Imagine: A bank that can finance a giant hydro-electric plant certainly has the power to help you.

Any executive who tells you it's a waste of your time taking a small deal to a big bank should be fired before he wastes any more of your money.

At one of the world's 10 largest banks, every small deal is a great deal.

Ask any expert in international financing and he'll tell you that Dresdner Bank has a reputation for gifted, imaginative

Which includes following through on good ideas. Providing much more than just finance.

expert advice. A few good introductions. Help in opening up new markets, anywhere in the world. The services of resident experts in more than 50 countries. And the most valuable thing

You can probably use some

of all, a lot of positive reaction. If we like your ideas, we'll

back you with the services of 29,000 employees, total assets of the Dresdner Bank group now approaching \$ 60 billion and a century of international business experience.

All you have to do is call us.

Dresdner Bank

Bank with imagination

Drescher Bank AG · Head Office: 7-8 Gallusanlage, 6 Frankfurt/Main, Tel.: 2631, Telex: 41230, London Branch; 8, Frederick's Place, London EC 2R 8AT, Telephone: 01-606-7030, Telex: 885 540.



Dr. F. Wilhelm Christians

PROFILE

in Nation

HAD Dr. F. Wilhelm Christians followed his original vocation. he might well now be a familiar figure on the world diplomatic scene Instead of joint chief executive of West Germany's largest commercial bank

But the potential charms of diplomatic life obviously faded as he found life at Deutsche Bank more to his taste than merely as preparation for the country's foreign service.

Dr. Christians joined the bank 30 years ago and now shares the task of guiding it through an more complex domestic and international monetary landscape with Dr. Wilfried Guth, whose speciality is foreign financial affairs. It is his exper-

Although he began life with Deutsche Bank at branch level,

in the early 1960s.
It is in the securities field that
Dr. Christians has become most well-known, as well as contributing strongly to the development of the bank's domestic husiness. Also, however, he has done much to cement West Germany's vital trade links with other countries, having negotiated many important financial trade contracts between leading company and the contracts between leading company and the contracts of t panies and their foreign

Guth a close adviser to ing both law and political leval Chancellor Helmut science. But having decided to

Dr. Christians initial appointment as a manager was not long in coming. A dapper, genial personality, he then moved to Duesseldorf, becoming assistant general manager with responsibility for the securities business in the early 1960s.

counterparts.
Dr. Christians bad what might be regarded as an untypical grounding for a banker, study-

make his career with Deutsche Bank, he eventually reached the executive board as a deputy member in 1965.

Now in his mid-fifties, be was chosen as president of the West German Banking Association in March 1975, a position which he has just relinquished to Dr. Harald Kuehnen, a partner in one of West Germany's best-Oppenheim of Cologue.

Like many leading bankers io Germany, Dr. Christians Is closely involved with industry at a high level. Among the supervisory boards on which he serves are those of Bayer, Karstadt and Volkswagen, while he chairs those of Mannesmann, Otto Wolf and Rheinischwerk (RWE), a leading utility.

Andrew Fisher

VEREINS-UND WESTBANK

– Northern Germany's largest regional bank –

presents FINANCIAL HIGHLIGHTS

Volume of Business Total Assets **Total Deposits**

DM 8.768 billion DM 7.801 billion

Group DM 10.374 billion DM 9.415 billion DM 7.254 billion DM 8.775 billion

Capital and Reserves DM 324 million Dividend to Shareholders DM 9 .- per each DM 50 .ordinary share

VEREINS-UND WESTBANK

. the traditional link

with all financial and trading centres of the globe. Our subsidiary in Luxembourg ensures direct access to the

Euromarket: VEREINS- UND WESTBANK INTERNATIONALE S.A. LUXEMBOURG, 25, Boulevard Royal, phone 41401, telex 2668 vwbifx.

VEREINS-UND WESTBANK Head Office: Alter Wall 20-32, D-2000 HAMBURG 11 • Phone (040) 36 92-1 • telex 02165797

banque de l'Indochine et de Suez

96, hd. Haussmann 75008 - PARIS Tél. 266.20.20



Head Office: Central Offices: 44. rue de Courcelles 75008 - PARIS Tcl. 766.52.12

BRANCHES

PARIS NEUILLY/SEINE VERSAILLES BORDEAUX LILLE LYON MARSEILLE NANCY NANTES TOULOUSE

CANNES

GRENOBLE

BANGKOK NICE COLOMBO GIBRALTAR F.ARACHI LONDON PAPEETE LAUSANNE NOUMEA LUGANO SEOUL -CHICAGO BAHRAIN NEW YOK DUBAL HONG KONG SHARJAH OSAKA TOKYO SANA'A KUALA LUMPUR HOOEIOAH MANILA SINGAPORE

REPRESENTATIVE OFFICES

MADRID RIO DE JANEIRO SAO PAULO CARACAS HOUSTON

JAKARTA TOKYO KUALA LUMPUR SYDNEY

SUBSIDIARIES AND AFFILIATED BANKS

FRANCE Banque Françoise Cammerciale Banque Sudomerts Banque Libona-Fronçoise (France) Bonque Dupuy de Passeval Saciale de Banque de l'Orleonais

EUROPE Financière Indosuez Genève Crédit Fancier da Monaco Trinkaus & Burkhart Banque du Benolux Banque de Suoz Itolia S.p.A. Finanziario Indasuez S.p.A. Banque de Suaz Luxembourg S.A. Banque de Suaz Nederland N.V.

AFRICA French Bank of Southern Africa Ltd Campagnie Maracaine do Credit et de Banque Nigerion Finance Sarvices Lid Banquo de l'Indochina at da Suez - Mer Rouga -(Djibouil) NORTH AMERICA

Suez Américan Carporation (Investment Bonk) Blyth Eastmann Dillon and Ca

ANTILLES

SOUTH AMERICA AND CENTRAL AMERICA

NEAR EAST AND MIDDLE EAST

Al Bank Al Soudi Al Fransi Banque Libano- Française S.A.L. Banque Sobbag at Française pour le Moyen-Orlent-Fransabank-Ulusiararasi Endustri Ve Ticoret Bankasi -Utebank-FAR EAST

Indosuoz Asia Ltd Hana Kana **OCEANIA**

Bonque de l'Indachine et de Suez - Nouvelles Hébrides -

FRANCE

Reforms in the offing

THE PROGRESSIVE imple- The Mayoux report, which At the same time the ceilings ment free of any controls, has diversity of the interest mentation of Prime Minister may form the hasis of official for the expansion of loan been made smaller. Last year private French financial system, mentation of Prime Minister may form the hasis of official for the expansion of loan been made smaller. Last year private French financial system, mentation of these presents the creation of money could not a Raymond Barre's liberal eco-banking reforms to be drawn up volume have been made still the proportion of these presents the creation of money could not be a proportion of these presents are the creation of money could not be a proportion of these presents are the creation of money could not be a proportion of these presents are the creation of money could not be a proportion of these presents are the creation of money could not be a proportion of these presents are the creation of money could not be a proportion of these presents are the creation of money could not be a proportion of these presents are the creation of money could not be a proportion of these presents are the creation of money could not be a proportion of the proportion which monopolised the new Government's energies during the first 12 months of its life. attention bas been increasingly focused on ways and means of breathing new life into the banking system.

If progress has been slow. largely because of the conflict-Ing interests between the Statecontrolled financial institutions and the private banks and the need to keep a tight rein on credit expansion in the interests of fighting inflation, the authorities' desire for change has been clearly stated. Both the seventh five-year plan and a report comfrom a group of experts chaired by M. Jecques Mayoux, a former centralisation and a more effi-cient distribution of credits to industry and small husinesses. lowered to 11 per cent in 1979 compared with 12 per cent in 1977.

Bernard Clappier

Governor of the Bank of France, my not have the independence

enions at the Bundesbank, but

his influence on the country's monetary policy has neverthe-

M. Giscard d'Estaing knew

what be was doing when.

shortly after his election as

President of the Republic in

1974. he appointed this un-

assuming and amiable man to

the prestigious inh of Governor

The confidence which the nresident has in M. Claopier

was clearly demonstrated when

he nut him in charge of the

technical negotiations on the

Monetary System and asked

him to stay on for enother year

as Governor to supervise the working of the new scheme.

despite the fact that M. Clappier had reached the normal retire-

M. Clapoler has been intimately involved in Euro-

pean affairs since 1947, when

of the European

less been considerable.

of the Central Bank.

ment age of 65.

M: BERNARD CLAPPIER, the he became the chief aide of M.

PROFILE

regulated banking sector. After further than the authorities har exceeded FFr 8bn on June 30. watering down of ceotralised decision-making hy the "Big Three " nationalised commercial hanks-Banque Nationale de Paris, Credit Lyonnais and Societe Generale—is probably in line with Government thinking.

But the abolition of the present system of credit growth ceilings. advocated by the report, is clearly premature as far as the authorities are con-cerned, though there can be no doubt that both M. Barre and M. Rene Monory, the Economics Minister, consider it to be a desirable longer-term objective. Firmly wedded to Friedmanite missioned by the Government principles, M. Barre is loth to from a group of experts chaired abandon what in France remains one of the principal Director-General of the Credit tools of controlling the money Agricole and the recently supply. With inflation still appninted head of the Sactior running at about 10 per cent Sollac steel group, bave emphasised the need for greater decreated the need for greater decreated the need for greater decreated the need for greater decreases the need for greater decre

Rohert Schnmann, first in the latter's capacity as Finance and

The experience gained in the

Government.

nomic policies was bound by the Government at the end more restrictive. The hig viously unregulated credits be controlled mainly by interest loan volume by 150 per cent of the sooner or later to affect the of this year, was particularly banks, whose loans subject to which were "reintegrated" in rates and "open market "open the amount of the net capital to share and heavily outspoken and probably went ohligatory reserve requirements the credit growth ceiling systems. the freeing of industrial prices gained for. Its proposal to set 1978, have been authorised to this figure has been raised to 20 tries. and the rationalisation of the up independently managed expand their lending in the per cent in 1979. textile and steel industries, regional banks, which implies a current year by no more than The so-called " 4 per cent against 5 per cent in 1978. The permitted increase for second category establishmeots, with outstanding loans between FFr 20m and FFr 8bn, has been lowered to 7 per cent from B per cent last year, and that for hire purchase finance houses to 9 per cent from

10 per cent. **Easier**

Only the amall banks, with a loan volume of less than FFr 200m, have bad things made easier for them, with some allowed an increase in their ceilings of 4 per cent and others exempted altogether

from the credit restrictions.

Moreover, one of the loopholes in the system, which
allowed hanks to expand allowed hanks to expand thetic than its predecessors to small establishments, since the medium-term export credits, the criticism of the hanking capital of the large banks is some types of housing loans and community. But M. Monory has already greater than the legal loans for energy-saving equiparts argued that hecause of the great minimum. That stick was

The so-called "Encadrement

du Credit" has now been applied for more than six successive years, by far the longest period that it has ever heen in effect in France and bankers are becoming increasingly critical of the constraints imposed on them. The main criticisms levelled at the system is that it stultifies competition because a bank cannot increase its sbare of the market, that it helps the less efficient establishments by freezing existing situations and

competition and a reduction of State interference in the doubled by the end of 1870 cent economy, it is not surprising raised once more by 50 per cent that the present Government by the end of 1982. This that the present Government by the end of 1982. This measure will affect mainly the measure will affect mainly the

tem was set at 15 per cent and Western industrialised coun- per cent in 1978.

Be that as it may, the Government plainly is not very happy about the way the system is working and bas begun to take cautious steps to deal with soma of its most obvious defects. The exemption from all credit con-trols of some of the smallest banks has been complemented by measures with the dual pur pose of attenuating the effects of the controls and improving the French hanks' capital structure another important objective which the Government has set itself.

In October last year the that it favours the large banks and companies.

With the present emphasis in the minimum level for banks'
official quarters on increased capital, which has remained unchanged since 1972, must he

At the same time the ceilings ment free of any controls, has diversity of the mixed State accompanied by the carrot permitting banks which raised. their capital to expand their

The most important innovation, bowever, was the Govern ment's scheme, finalised last month, to impose minimum reserve requirements on banks' lending operations, thus bring-? ing France more into line with... banking practice in a number of

other countries. The new system will be brought in over a three-year of June 30, 1982, and will be based in hanks' estimates of the ratio between capital and lending at the beginning of this year.
Banks which already have a ratio of 5 per cent are expected at maintain that level. Those with a reserve ratio of more than 3 but less than 5 per cent. must make up half the differ-ence between their current ratio, and the 5 per cent level. Those with ratios under 3 per cent will, have to increase them by at m least 1 per cent.

Robert Mauthner Paris Correspondent

Growing role abroad

expression, the Italian currency . rate of inflation to about 12 per . bave heen increasingly involved After a long spell from 1951 got off to a flying start from cent, but inflation is already in export and balance sheet to 1963 as Director of Economic the pole position in the new Relations at the French Foreign Ministry, M. Clappier spent an March. Despite the uncertainalmost equally long period as ties of the political situation, Deputy Governor of the Bank with the imminent general elecof France, hefore being tions on June 3 and 4, the lira appninted head of the Credit has continued to fare surpris-National, the State-controlled in-dustrial financing institution. markets,

This reflects the vigorous latter post has given M. Clap-recovery of the economy, which pier a deep insight ioto the for the first time in a decade country's industrial problems, now sees a sustained revival of which has stood him: in good industrial output without a which has stood him: in good stead at the Bank of France.

Much more flexible in his approach than his immediate predecessor. M. Olivier Worm
who did not hesitate to To a great extent the credit

criticise M. Giscard d'Estaine for this spectacular turnamend when he was still Finance in economic performance during Minister for his allegedly "lax" the last two and a half years monetary policies. M. Clappler must go to skillful management has avoided any clash with the on the part of the monetary Government.

Solution of the monetary authorities and the Bank of David White Taly. The policy was, of course, to introduce a whole harrage of restrictions which have eines been gradually cased and in many cases dropped

> Against this, there is now or again concern over renewed inflatioo. The official target this

SIG. NERIO NESI, a Socialist, was recently appointed chairman of Italy's largest commercial bank, the Banca Nazionale del Lavoro, whose deposits in-

creased by some 27 per cent last year over 1977 to L23,584bo. and which reported

L23,584bo. and which reported last month net earnings of L26,9hn in 1978.

A former deputy chairman of Italy's third largest savings bank, Cassa di Risparmio di Torino, operating in the industrial north of the country, and

for many years a manager of the Olivetti mechanical engi-

neering and electronics group, Sig Nesi is particularly sensi-tive to the problems of relations between industry, and the bank-

to recent years, Sig. Nesi claims, when Italian companies became increasingly dependent

on the banking system in view of their growing indebtedness, relations between hankers and industrialists bave effectively

deteriorated. According to Sig. Nesi: Many companies

claim that bankers show little

sympathy for their financial

problems, demanding excessive

guarantees and lacking any dexibility in their operations.

The banks, he adds, have also

been accused of using savings lor major investments which

have in some cases been dishanks, he stresses, are none line

less one of the "healthiest ends" of the economy as re-

Sected by their profit levels in Sig. Nesl indicated that the

current difficulties of the banks

stem from policies of the sixties

and early seventies, when the

interests of public sector groups

received overwhelming priority

their

respect, "responsibility is more or less shared between the political parties, the bankers, industrial companies and the

In a market economy is now heing more clearly defined and

the principle for granting credits to horrowers will im-

economic vlability.

whatever

trades unions."

PROFILE

Nerio

Nesi

cent this year,

Indeed in view of the uncertainties of the political situation and the revival of inflation, the Bank of Italy has ruled that cellings for the expansion of eligible loans this month will remalo at 18 per cent above the March 1978 baseline, 21 per cent for July and a similar figure for September. This amounts to a maximum permitted lending, growth of 16 per cent for the year to September 1979, when

the monetary authorities will again review the credit position. Meanwhile, the maximum of loans exempted from restrictions will stay at L100m, and the Government's latest estimates for this year provide for total domestic credit expansion of L53,000hn and an increase in commercial bank lending of L9.500hn

central monetary have effectively guiding light of authorities Italy's economic recovery, the country's banking system as a whole has also played a fundamental role in the recovery of the halance of payments and

the stability of the lira.

During the last IS months, with the gradual disappearance of the so-called "Italian risk" and the high liquidity of the international market the international market, foreign borrowing of com-mercial banks has steadily

increased and now totals some

But seen as one of the more

profitable ends of the Italian economy, the country's largely State-controlled hanking system is increasingly alarmed at the prospect of being hurdened with the entire cost of a whole series of huge rescue operations of troubled companies in a number of key industrial sectors, including in particular the chemical industry. These salvage operations involve the setting up of hanking consortia to take control of companies on the verge of financial

more than a rather undignified granted to the financially sharing of the spoils he the troubled chemical group. been the unprecedented events of the past month that have directly involved the central bank, its highly respected Governor, Dr. Paolo Baffi, and one of the bank's joint Deputy Director Generals, Sig. Mario

In what has been widely regarded as an attack against one of the country's most prestigious institutions and one which has held itself aloof from politics, the Governor and the Deputy Director General have been charged in connection with judicial investigations into

Sarcinelli

that his West German col- Foreign Minister and, sub- TO USE a familiar motor racing year was to contain the annual \$8bn. The commercial banks one of Italy's major chemical league. Dr. Otmar Emmiser, sequently, as Prime Minister. expression the Italian currency rate of inflation to about 12 per bave been increasingly involved groups, Societa Italiana Resine. groups, Societa Italiana Resine

The charges have been vigorously denied by Dr. Baffi and Sig. Sarcinelli, who has been suspended from office by the magistrates involved in the SIR inquiries. At the same time. the Government and leading political and economic personalities bave expressed their ! full confidence and solidarity in . the two senior Bank of Italy

officials. The charges specifically relate to allegations that both Sig. Sarcinell- and Dr. Baffi failed to notify the judicial authorities about the findings of a central hank inspection into subsidised credits granted to SIR by the collapse and formulate recovery programmes.

As regards the banking sector.

As regards the banking sector more specifically, the recent nominations of new chairmen to a series of ton hanks were little. a series of top hanks were little Ing alleged irregular soft loans

serious and disturbing bave internal and International repercussions, which the Bank of Italy scandal could eventually entail, a number of Italian politicians have not been slow to point out that the apparent attack on the central comes at a time when the bank has made considerable efforts to trols on the banking system at large. Indeed over the past three years it has nnearthed a series of lrregularities, which it referred to the judicial anthori-

Paul Betts

The numbers game is our business: big numbers about money and people.

Here are some of the 1978 numbers: • US\$ 22,900,000,000 deposits and funds administered (equivalent of 19 thousand billion Italian lire)

+26% in respect to 31st December 1977

•438 branches •9,000 employees e including Mediocredity and Leasing Regionale Lombarda deposits and funds

Representative Offices:

Brussels Avenue Louise, 327 B-1050 Bruxelles tel. 6400080 telex 62446 Caribr B

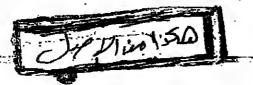
Frankfurt Grosse Gallusstrasse 9 6 Frankfurt am Main 1el: 280 756/7/8 telex: 412862 Carip D

Cunard House 88 Leadenhall St. EC3A 3BP (el. (01) 283 2302 telex 887641 Caripl G

New York tel.(212) 541-6262



MILAN-ITALY - Via Monte di Pieta, 8 - Tel. (02) 88661 - Telex 310280/320451 Caripl I We take up a lot of space in the Italian banking picture.



We Romans are used to handling ambitious projects

Rome's links with Britain go back over 2,000 years, and the legacy of Roman rule is still strongly in evidence today.

Perhaps the most famous and impressive monument is Hadrian's Wall. Stretching across Northumbria for 75 miles, it was built as a barrier against marauding Picts and Scots.

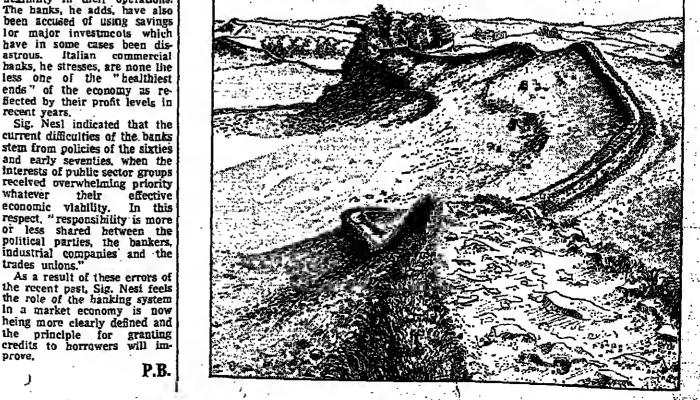
Nowadays as Italy's leading bank, we are more concerned with the removal of barriers by strengthening lines of communication and cooperation in international finance.

If you are doing business in Europe, we are your link to the Common Market, indeed the world, thanks to our extensive network of

And you'll find that we, like Hadnan, are undaunted by the most ambitious projects.



BANCA NAZIONALE DEL LAVORO, London Branch: 33-35 Combill, London EC3V 3QD. Tel: 01-623 4222 Head Office: Via Vittorio Veneto, 119, Rome



WORLD BANKING XI

SWITZERLAND

A steady expansion

BANKING IS one of Switzerland's major industries. A total of some 550 banks and finance companies are currently operating in this country of 6m in-habitants, even when the mul-titude of small loan officea and agricultural banks are represented by their two associations. Combined assets reached SwFr 369.62hn by the end of 1977, or almost two-and-a-half times the Gross National Product. Per capita this means a share of some Swir 58,745—or \$34,555 at today's exchange rates. The figure rises even higher when fiduciary business is added, with foreign assets of an additional SwFr 54.36on and a net position of SwFr 5.61bn.

CLEASE OF STREET

here in the second seco

Apart from the importance of the country as an international financial centre, the banks play a very significant role in the domestic economy. As an employer they are second only to the metals and engineering industry. As a service they work for a country with the highest savings rate and the highest mortgage debt in the world, as Robert has more age of the business sector money to the minutes and running the capital markel in their dual function as stockbrokers and bond underwriters.

> business continues to expand. The balance aheet total of the The fureign share of the assets 71 banks with assets exceeding total of Switzerland's foreign-SwFr 100m went up from owned banks is naturally bigh, SwFr 284.4bn to SwFr 307bn at some 72 per cent by latest last year and appears set for a figures, but domestic (Swiss) further increase in 1979. Within assels have been rising in rethis overall total the position of cent years. The cantenal and the Big Banks bas shown a lucal banks are much more gradual rise in the past few active in the national and years, increasing from a share regional sector—although a

bave also been showing a business. expansion, however.

140

While assets of the Big Five (Swiss Bank Corporation, Union Bank of Switzerland (UBS), Credit Suisse, Switt Volksbank industry. In a recent special Bank Leu, grew over the UBS chairman Philippe de for by fiduciary assets abroad. In the flow of the backing community. Nor a little business has been test to Swiss banks by the drawing assets abroad.

per cent to SwFr 88.44bn. The 38 regional and savings top industrial, trading ond servanks have seen a less rapid development but their balancesheets have still grown by 18.5 per cent between 1974 and 1978 to a combined SwFr 29.86bn.

The algorithm of the country and the companies of th banks have seen a less rapid de-velopment but their balance-sheets have still grown by 18.5 per cent between 1974 and 1978 to a combined SwFr 29.86bn. Foreign-owned banks play

less of a part in Switzerland than in many other countriesdespite the fact that the existence of financial centres like Zurich and Geneva bas led to the foundation of nearly 100 over the years. Something like 10 per cent of total bank assets are accounted for by these foreign entities.

Universal

The five leading commercial banks are the best known for their universal banking operations, though meny smaller in-stitutions are also foll-service units with important ont-ofcountry business. The assets of rokers and bond underwriters. the Big Five are traditionally Be that as it may, hanking more or less balanced between domestic and foreign business. of 57.6 per cent in 1974 to last really big canional bank like year's 61.4 per cent. year's 61.4 per cent. that of Zurich has important Switzerland's "State" banks, foreign positions—and in Switzerland's cantonal institutions, zerland's substactial mortgage

Unlike the banking system of

Week estimated that the three teading commercial banks each has a share of no more than had a not foreign surplus of about 2 per cent in the country's

tial shareholdings is considered as only temporary, and the last few years bave seen frequant divestments.

of a commercial bank alongside
In the "Top 500" lists of the
world, Switzerland's biggest
three commercial banks are
further down the line than
might be expected. In 1978
Swiss Bank Corporation had a
balance-shert lotal of SwFr
Currency reserves, it has played
83 24hn and current expenses

leading part in recent inter-63.24bn (at current exchange rates some \$37.2bn), Union Bank of Switzerland SwFr 60.95hn (\$35.8hn) and Credit Suisse SwFr 47.6hn (\$28hn).

This plays down the inter-

national importance of these and other Swiss and Swiss-based hanks which are so active on foreign markets. Foreign assets of Switzerland's banking system rose last year to no less than On both own account and fiduciary business Swiss banks SwFr 27.3bn, or \$16bn-plus at today's exchange parities.
The Swiss National Bank is

also of much more significance than the size of the country would infer. Although this monetary authority is not nationalised—it has both public and private abarehoiders and carries on the normal business of a commercial bank alongside

a leading part in recent inter-national attempts to shore up the dollar and stabilise the post-Bretton Woods crisis. At home to foreign eyes—remarkable powers in the steering of the economy. Its prime success has been in the holding down of the inflation rate to the lowest level

in the Western world. that Switzerland is less attrac-Not everything the National tive today as a financial centre

foreign money into Swiss franc deposits; particularly unpopular were the 11-month restrictions, not lifted until this January, on foreign portfolio holdings of Swiss-franc securities. On previous occasions the National Bank has been instrumental in pashing through such measures as credit growth ceilings and minimum reserve calls.

With the dropping of the investment restrictions, the commercial banks bave been relieved of their biggest recent bugbest. Figures for the first quarter of 1979 show that buslness has picked up as a direct result. Generally speaking the banks appreciate—even though they cannot much enjoy-the official measures in the mone-tary sector; this is particularly the case in that bankers als want a return to something like the National Bank has-at least stability on the foreign exchange front, despite the consolation that cornings from currency and gold trading may rise at a time

of mooctary unrest. The banks warn, however, that Switzerland is less attrac-

There are also some misgivings, often the result of over-anxiety, that the traditional institution of Swiss banking secrecy is slowly being eroded. These fears are kept alive in the shadow of the referendum proposal to be put to the vote—though probably not before well in the Sacial Porce. into 1981—by the Social Demo-crats and the trades unions. A major element in this motion is the lifting of the banking secrecy shield for a number of offences or alleged offences such as fiscal or foreign exchange contraventiona by foreign

> John Wicks Zurich Correspondent



BELGIUM/LUXEMBOURG

Fight for custom

ALONG BRUSSELS' bustling venue des Aris, in the city's business district, foreign banks predominate. Ranging from Morgan Guaranty to Sumitomo Bank, from Commerzbank to Banca Ponolare di Novaro, the score or more of international names reinforce the impression that Brussels likes to give of being a supranational city.

But such first impressions can he misleading, for despite the foreign banks' efforts to secure the corporate business of their multinational customers in Brüssels, banking in Belgium remains firmly in the hands of the Belgian haoks. According to figures prepared not long ago by the bank employees' trades union representative, the major domestic banks continue to uncontestable · an supremacy.

In the international banking that market Belgium's role is complemented by that of Luxem-bourg: taken together the two countries have 12 per cent of the Eurocurrency market, which puts them on a par with the combination of Bahamas and the Cayman Islands as the equal second largest Eurocurrency banking centre, in terms. of deposits, after London. The reason why Belgium and

Luxembourg are considered together is that the Grand Duchy is in a currency bloc with Belgium and because Luxembourg forms a vital extension to the Belgian financial mar-kets. All the hig three Belgian banks bave affiliated banks in Luxembourg and the hig Belgian bond finds are based there. Luxembourg provides a way round various Belgian regulatory constraints — in par-ticular a withboilding tax—and

the Belgian authoritles find it the manpower in the banking convenient to turn a blind eye sector. to this fact.

But in addition to his close relationship with Belgium, Luxembourg has developed as a financial centre in its own right. Since 1967 it has become for the D-mark what London is to the U.S. dollar. Just as U.S. banking rules have pushed the business of accepting and lendlog offshore dollars to London, so Luxembourg's lack of reserve requirements has attracted the Eurocurrency activities of the

West German banks there.
Of the S3 banks now incorporated in Luxembourg 24 are German and 12 American. Tha activities of the German banks in particular bave made banking economy. Indeed so significant golden days of the 1960s, when have the German banks' activities in Luxembourg become that the German authorities recently took steps to golden days of the 1960s, when GNP growth averaged 4,5 per cent. Belgium's economy is now picking up encouragingly. recently took steps to gain access to more information about them.

maintains a regulatory regime that is attractive to banks, but which is at the same time sufficiently rigorous that the banking authorities in other countries do not feel undermined

Beigium's "Big Three"—in ranking order the Societe Generale de Banque, Banque Bruxelics Lambert and Krediet-hank-account for 85 per cent of all deposits and 92 per cent of all bank secounts. Their grip Generale de Banque'a consoli-on hranch banking is so tight dated domestic and inter-us to give then 88 per cent of national banking activity last the country's banking outlets. and they employ 84 per cent of

Two years ago that dominant

position could easily have been characterised as an unenviably large slice of a stagmant busi-ness. The slowdown in the Belgian economy had begun to bite into the banks' profit levels and in 1976 the demand from private sector industry for investment credit grew by around only 10 per cent, as against 23 per cent the previous year. The reduced profits declared by the Big Three were themselves bolstered by increased overseas activity or, in the case of Societe Generale de Banque, the need to set aside less for depreciation on bad loans than in 1976.

banking profitability reflecting recewed activity. In contrast to the 1977 growth rate of a about them.

In preserving its position in niggardly 1.2 per team the international banking marties as GNP increase by only 2 per tent and for this year it is forecent and for this year it is forecent and for this year it is forecent. cast to top 3 per cent. The Societe Generale de Banque has reported à 15.3 per cent increase in 1978 credit demand compared with a rise of 11.3 per cent the year before. A major boost to small- and medium-sized company financing has occurred with export credit guarantees helping to push the appetite of smaller Belgian businesses for

bank finance up by 58 per cent. The balance sheet for Societe year rose by 16.7 per cent to BFr 748bo, the cash flow posi-CONTINUED ON PAGE XVI

BANQUE INTERNATIONALE A LUXEMBOURG

Further expansion of Luxembourg's oldest bank

Assets absorbered 1775 n be	أميدالقد وسيدن	å VG addlana
Cash and deposits with banks		
at maximum one month ·	27.318	911
Term daposits with banks	18,671	622
Deposits with non banking		
financial institutions	1,988	65
Bills and notes	3,647	. 122
Loans and advances	23,777	793
Securities	2,939	98
Fiduciary accounts	3,032	101
Miscellaneous	1,756	-58
Fixed assets	1,974	66

85,102

Liabilities		
Current fiabilities		
- Bank	25,082	836
- Non banking financial institutions	840	28
- Deposits	50.439	1,\$81
Miscellaneous	2,482	83
Fiduciary accounts	3,032	101
Shareholders' equity and borrowed capital	2,260	75
Provisions	703	24
Available profit	264	9

1978 has been another year of progress for Banque Internationale à Luxembourg (BIL), Luxembourg's targest private local bank with the right to issue bank notes

The bank's assets grew once again by 10% (from approx. 2,5 to 2,6 billion SUS) together with a corresponding increase in profits.

Its general expansion of domestic business and its more and more active participation in large-scale international transactions will bring tha bank to increase its own means up to 2,7 billion Lirs (90 mil \$US).

In 1978, representative offices have been opened in Singapore and New York Specialized in issuing of bonds and credits in euro and asia currencies and the domicifiation of holding companies, Banqua Internationale à Luxembourg is now offaring a complete ranga of International services through three of tha leading financial centers of the world.

A larga network of first class correspondents throughout tha world, and its membership to ABECOR, Europe largest banking group, ere a lurther basis of BIL'a gro-



telex 3409 & 3429 biarb lu

Parlez-vous International Business:

EXCHANGE

FOUNDED 1876

A Government-regulated market in daily

contact with banking centres throughout the world

Watch for fuller information

on 29th May, 1979

CHAMBER OF THE BASLE STOCK EXCHANGE

STOCK ECHANGES INTELLIGENCE LTD.

P.O. Box 244/CH-4091 Basle.

Tel: 25 11 50 Telex: 62524



G, ARENDT Bonque Générale da Luxembourg



C. CHIANUCCI Société Générale



B. GILLON



Y. GRAFFE

Societé Générale



J. LOUETTE Banque Belge (France)



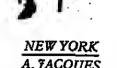
R. PREAU Banque Belge pour l'Etranger



P. MUÜLS



TOKYO J. WERY Société Générale



A. JACQUES European American

we speak your language, because we are there too.

Based in Brussels - the heart of the European Common Market and hub of international business - Société Générale de Banque is Belgium's leading

In key world business centres,

the key to business success in the international economy is close, personal knowledge of local markets. This means knowing the country, knowing its customs, knowing its influential people. And always remaining flexible and inventive.

These are the essential qualities of the people of Société Générale de Banque. Wherever we are, wherever you are, we speak your language: the language of international business; the language of the country; and the language of the bank, and thus the leading financial institution of perhaps the world's most export-oriented country.

So wherever you are, whatever you need, call on the man from Société Générale de Banque. He is there to solve your banking problems... In London, Paris, Tokyo, New York,... and in over 30 countries round

Europe: Cologne, Geneva, London, Luxembourg, Madrid, Milan, Paris... • Africa: Abidjan, Bujumbura, Dakar, Kigali, Kinshasa... • Asia: Bangkok, Hong Kong, Jakarta, Karacki, Kuala Limpur, Manila, Seoul, Singapore, Tokyo... • Australia: Melbourne, Sidney... • Latin-America: Buenos Aires, Mexico City, Rio de Janeiro, São Paulo... • Middle-East: Beirut, Teheran. North America: Chicago, Los Angeles, New York, San Francisco...

Société Générale de Banque Generale Bankmaatschappij



Belgium's leading bank, with over 1150 branches in the country and offices in key business centres round the world. For further information concerning our international network, please contact ns: International Division, Montagne du Parc 3, 1000 Brussels, Belgium. Telex: 22728 G ETR B - Tel.: (02)513 66 00. Specialists in.

Foreign exchange

and Euro-deposits,

all aspects of: -

Corporate Finance,

Short and medium term

lending. Private placements

and Bond dealing.

In The Netherlands since 1737.

Fvan Lanschot Bankiers.

1 Princes Street, London EC2P 2 AH, telephone (01) 6063363, telex 883378.

Curação: F van Lanschot Bankiers (Curação) n

Willemstad, Curação, Netherlands Ar

Affiliated Institutions

Atlantic International

Greyhound Fmancial &

Bank Ltd. (London);

Hoge Steenweg 29,

's-Hertogenbosch,

The Netherlands,

telephone (073) 153911,

telex 50600.

Branches: 14.

Fvan Lanschot

Bankiers

DENMARK

System overburdened

Hoofmyer agree . They feel that the buck

has stopped with them.

Behind Mr. Hoffmyer's complaint is the central Government borrowing requirement, which this year is about DKr 21bn net or DKr 37bn gross lie including roll-over of existing debt), or 7 and 12 per cent respectively of Grass Domestic Product. Credit

There is a large and efficient bond market however, relatively free from restrictions and where interest rates are allowed to find their own level. This has enabled the Government to finance its deficit without resort to large-scale monetary financing. But it has also meant that the central bank's efforts to control credit expansion have focussed on the private banks, the 73 com-mercial banks and the 173 savlngs hanks (which are now sub-ject to the same legal conditions).

bank is responsible for monetary and credit policy, but in practice there is a two-way diffusion of responsibility. The central bank normally acts in concert with the Government (for which it also acts as banker) and the private banks are expected to accept a share of responsibility for monetary policy. This is expressed in the form of voluntary agreements hetween the central bank and the private banks.

Legally speaking, the central

Thus there is an agreement commitments which has been in operation for 10 years and is a direct and effective method of credit control. tion
The hanks dislike the agree- honds.

burdened, declared central bank has forced them to place an Kr increasing proportion of their Kr 900m (net) in April, bave because the banks have an Erik Hoofmyer increasing proportion of their Kr 900m (net) in April, bave The private banks funds into bonds and is they eased off, the authorities may sometimes complain turning them into investment institutions as opposed to banks.

There is also an agreement limiting interest rales on bank advances this year to the average of the first quarter level, an agreement which replaced a syslem last year by which interest on deposits was policy is taking the brunl of limited to bank rate 18 per attempts to stabilise the cent) plus 4 per cent.

Driven

The latter agreements again derive from events in the bond market. Sales of Government paper have driven average effective yields up to about 17 per cent in 1978. The hanks, in compeling for deposits, had to pay even more. As they were compelled by 1975 legislation to maintain a fixed margin between interest rates on advances and deposits, competition for depo--something politically unac-ceptable. The limit on deposit rates was unpopular, however, because on balance it benefited the big banks and penalised the amhitious smaller banks.

The interest rale agreements gap hetween long bond market rates and bank lending rates were narrower. Bank lending rates vary from about 12.5 to

145 ner cent loday.

Since the end of last year there has in fact heen a narrowing of the gap as a result of sudden foreign interest in huving Danish bonds. Attention was first turned to State issues. but when sales of these abroad franc loan, were hanned in February attention switched to mortgage

1.6bn in March and be able to relax and to avoid imposing some form of disincentive (such as a coupon tax) on sales to foreigners.

Average effective yields on bonds have come down by about 1.5 per cent since the end of the year and on the shortesi maturities yields are now in line with bank lending rates.

This suits the banks but woressential to help finance the ance of payments deficit, expecthis year (about 3 per cent of Gross Domestic Product (GDP).

The problem will not be acute. however, in the coming months as bond sales and State borrowing together have contributed tain their legally required 8 per
to bring the foreign exchange cent capital ratio minimum and
reserves up to a record Kr23.8bm not to prevent the banks from
at the end of April.

A side effect of the bigh

interest rate policy followed since the beginning of the 1960s is that bank lending to industry to customers on their own account in very restricted amounts, have earned money on guarantees provided for foreign loans. Business borrowers are to an ever-increasing extent forced to raise finance abroad. Even my neighbour, a farmer, financed his latest tractor with a Swiss

guaranteed loans to students, a

"luxury consumer spending" instead of to industry, to which they are obliged to give priority. On the domestic side there

has been one important change this year. The legislation restricting the spread between ries the authorities, who fear interest rates on lending and that if interest rates fall much deposits has expired and the further it will hit the private banks have instead come under capital imports which are the price and profit margin controls which apply to other country's chronic current bal- businesses. How this will affect the hanks is so far very unclear, ted to increase again from about but it will probably give them Kr 7.7bn in 1978 to over Kr 9bn slightly more room for slightly more room for manoeuvre, not least because the rules will be administered by the Bank Supervisory Board, which exists to see that hanks as bond sales and State borrow- earn enough money to main-

Structurally the scene marked by a cessation of the urge to merge which marked nas dropped as a total share of the decade and the gradual oank lending. This has not hurt back earnings, as the banks, which are only allowed to buy foreign exchange for re-lending to customers. business of the commercial banks. This is a result of the legislation which came into effect in 1975, giving the savings banks and commercial hanks cqual rights and status.

Among the commercial banks Danske Bank (assets Kr 34.4bn) has taken over from Copen-hagen Handelsbank (assets Kr 33.7bn) as tha country'a

But as business lending has biggest bank, mainly because of MONETARY AND credit policy ment but have been unable to But as sales of mortgage But as business lending has biggest bank, mainly because of a property in Denmark is harmfully over-suggest a better alternative. It bonds, which amounted to fallen relatively, so consumer Handelsbank's traditional entering the suggest a better alternative. It bonds, which amounted to fallen relatively, so consumer that the suggest is a suggest a better alternative. It bonds amounted to fallen relatively, so consumer that the suggest is a suggest a better alternative. lending has increased (not least gagement in two stagnatingsectors-State subsidised social

obligation to make State housing and shipping.

guaranteed loans to students, a Danske Bank has shown as rapidly growing item), and the rapid growth of assets, almost banks regularly find themselves 90 per cent over the past five support under fire for lending for years, but Privatbanken is the high flyer, increasing assets over the same period by 97 per cent to Kr 25bn by broadening

its retail customer base Another feature of current : period is the internationalisation of the Danish. banks. Not only are the main hanks participating in the highly successful Nordic consortium banks: they bave now their own wholly-owned subsidiaries in Luxembourg and branches in the Caymans (which enables them to get round the restriction on borrow-ing currency for re-lending to

their own customers). Handesbanken (together with Finland's Kansallis and Norway's Den Norske Credit-bank) this month announced they ware taking a 25 per cent stake in Nordic American bank, until now wholly-owned by Svenska Handelsbank. This is the only Nordic bank in the

U.S. so far.
The domestic economic environment remains rather discouraging. The GDP growth rate should pick up to about 3.5 per cent this year, but the chronic halance of payments problem is no nearer solution. The monetary climate will remain tight. The money supply over the past 12 months bas-risen by only about 5.7 per cent per cent and bank deposits by 8 per cent (M2) and bank lending by 10 per cent.

Hilary Barnes Copenhagen Corresponden



Fresh loan curbs

stepped the effects of the poor performance of the country's industry, and are achieving good levels of profit and balance sheet growth from the private customer. But with few algus of any economic upturn they are growing increasingly concerned about the central bank's curbs on lending, now in their third year.

Worrled at the impact of consumer spendlog on the balance of trade the Government has also aunounced measures to curb consumer credits. Without producing the same immediate impact on the banks' business but with equally significant long-term consequences is the revision of legislation affecting. the supervision of banks by the central back and the Finance Ministry. The new law will plug such gaps as still exist in Holland's already highly controlled banking system.

Private hanks dominate the banking scene in Holland, although a number of State or semi-State banks operate in areas such as the financing of local authorities, the water boards and industrial development The Post Office Savings Bank and the Post Office Giro also have sizeable operations, and have stepped up their efforts to attract the private account holder in recent years.

Dominate

Three banks dominate the Three banks dominate the banking scene in Holland. Algemene Bank Nederland (ABN). With a 1978 halance sheet total of Fl 76.2bn (\$37bn) and Amsterdam Rotterdam Bank (AMRO) with a balance sheet of Fl 72.6bn together account fnr 60 per cent of the commercial banking market.

The agricultural co-operative.

The agricultural co-operative, Centrale Rabobank, is the second largest Institution in balance sheet terms—FI 74.2bn
— hut it has traditionally restricted its activities to farm financing and household accounts, including a large volume of mortgage business. This is now changing and RABO ls expanding into non-agricul-tural financing and into international banking. RABO, ABN and AMRO rank as 26th, 27th and 29th in the American Banker's world list of banks, based on deposits. Nederlandsche Middenslandsbank (NMB) is Holland's fourth largest bank, with a balance sheet of Fl 33.1bn, and it is the only commercial bank in which the state has a holding. This is now 23 per cent of NMB's equity ond it has been declining steadily. NMB is increasing the scale of its international operations as it broadens its base from funding small medium-sized businesses.

Apart from the smaller Dutch banks more than 30 foreign banks compete for international and corporate business in Holland Banco de Viscaya the most recent arrival, beralds the closer banking links which can be expected from Spain's memhership of the EEC.

The savings bank movement in Holland has not achieved the stature of its counterpart in West Germany, partly because of RABO's role, but a number small mergers have taken place. Eight small savings banks

this year formed Centrumbank, ing societies for funds. with 120 offices and a combined balance speet total of Fl 2.9bn. The banks are now adjusting to the revised legislation on the supervision of the credit system which came into force in

Supervision of banking operations, including solvency and liquidity levels, have now been formally extended to mortgage banks. All institutions will now be licensed provided they have assets of at least Fl 500,000, an expert and trustworthy management consisting of more than one person, and published audited accounts.

The central bank bas now taken on powers to enforce its rulings. It may put its own managers into a bank without informing the public, it may arrange support from the other members of the banking association to which a particular institution belongs, or it may put in trustees to minimise the impact of a banking failure on credi-

Agreement has been reached on a plan to pay up to Fl 25,000 per creditor if a hank fails. The central bank will also extend its monetary controls to the near banks," which borrow for periods of up to two years. This will cover institutions which attract funds of between Fl 16-50m, with individual limits to be determined by the

central bank.
The banks do not have to compete with British-style bulld-

mortgage banks raise funds from the small investor by Issuing bonds, a less flexible form of saving than the building society account. The Dutch banks also sell several hundred January after eight years of preparation. It extends the powers
of the central bank and the
Finance Ministry and increases
For the public.

thousand holidays a year work
providing, alongside the mortgage banks proper, their own
bousing loans. Unlike their
German counterparts though the Dutch banks are not allowed to take holdings in in-

dustrial companies. Concerned at the inflationary impact of, be particular, mortgage lending the central bank introduced credit curbs in 1977 They have recently been extended to the end of this year, with banks allowed to increase lending not financed by iong-term borrowing by only per cent on the level of the last quarter of 1978. The smaller banks have been allowed a further one point of growth.

This move has helped to reduce inflation and the relative liquidity of the economy but the worsening balance of payments position and the Government's large borrowing require-ment bave made further measures necessary. Requests for credit of up to F1 40,000 are subject to controls and credit debt will only be allowed to rise by 1.5 per cent in the year to April 1980, after the

27 per cent increase in 1978. Allowing for their traditional caution the hanks expect profits will continua to grow this year. But competition at bome is becoming tougher.

Charles Batchelor Amsterdam Correspondent



Amsterdam Depositary Company N.V. 172 Spuistraat, Amsterdam

The Netherlands telex 12286

Issues for 12 British companies 30 Japanese companies 9 United States companies

Continental depositary receipts



as the binding link between the Home Market

European Stock Markets



growth.

Rembrandt country is Rabobank country.

Membrandt found his inspiration in Holland,

yet created art with a worldwide appeal. The Centrale

vet increasingly provides services in the world at large.

With a strong agricultural background,

Rabobank also finds its inspiration in Holland ...

banking organisation with over 3100 offices and a

combined balance sheet total of 74,2 billion Dutch

guilders, as per December 31, 1978. (US\$ 37.7 billion).

This makes the Rabobank not just one of

the largest banks in Holland and one of the 30 largest

he Centrale Rabobank is now expanding

banks in the world, but also a bank with deep roots

the Centrale Rabobank heads a cooperative

in almost all sectors of Dutch economic life.

worldwide with a full range of banking services.

To accelerate this expansion, we recently co-founded



the "Unico Banking Group", linking us with five

clients unparalleled on the spot service.

in foreign currencies, Euro-credit loans and

Catharijnesingel 20, P.O. Box 8098, Utrecht,

other major European cooperative banks. This, together

has strengthened our operations by giving international

with the support of London and Continental Bankers Ltd.,

In addition, we are active in the Euro-currency

and Euro-bond markets. Our international transactions

participation in new issues, are showing a remarkable

Centrale Rabobank, International Division,

The Netherlands, Telephone 030-362611. Telex 40200.

WITHIN: THE next year the the foreign banks will be among number of foreign banks operating themselves and that the bulk of back in June, 1978, to admit foreign hanks—alongside the four long-established ones—and the formal naming in January of those which would be allowed to operate.

This year a first batch of 10 are expected to start up, switching from representative to branch operations, to be fol-lowed by five more in 1980. Additionally, another fereign bank, Bank of America, is taking advantage of new legisladon to buy out a hank in which It already bas an equity stake.

Although there are at present 108 private commercial and industrial banks in Spain, this represents a considerable increase. If the Spanish banking community bad had its way, the number of new foreign banks would have been limited to a first group no larger than four. This was based upon the fear that tensions in the inter-bank money market would be exacerbated by more banks competing for funds, that peseta business would be lost to the foreigners and that the newcomers would drain off the still thin layer of banking talent. Such fears have been wholly exaggerated. Very substantial restrictions bave been placed on the activities of foreign hanks.

Limited

.Quite apart from a stiff Pts 750 (£5m) downpayment "entry fee," the foreign banks are limited in their peseta dealing, which cannot exceed 40 per cent of their assets inside Spain fsecurities and those deposits that the banks are obliged to place with the Bank of Spain). They also cannot operate more than three branches if they chose to remain themselves a branch of their mother institution. In other words the hanks are pushed out of hranch/ retail banking

Yet few of the foreign banks, if any, at this stage wish to commit themselves to the investment of branch banking, and prefer to concentrate on wholesale banking instead. Anyway, the present four foreign banks a very small impact in retail banking and account for foughly I per cent of com-mercial deposits in Spain. fact the structure of

Spanish banking is such that no matter what the international weight of the new banks, they will not remove much business. Matters have been further has a cross ownership with Indeed some bankers believe complicated in the past 18 Urquijo, the largest industrial finat the basic competition of months by a tight money policy,

themselves and that the bulk of ing in Spain is going to quad-ruple. This follows the decision be geograted by existing clients and the growing internationallsation of the economy. Their Impact will be felt less, according to the same view, in com-peting for business against Spanish banks and much more in establishing new methods of banking practice and in nursing along market. the fledgling money

> The existing structure is a curious and rather rigid one that has no convincing European counterpart. The hanking system is divided between the commercial and industrial banks which are privately owned and the savings banks which are run privately but are non-profit making in charter and which in theory it least bave a socio-economic function. The savings banks account for over 30 per cent of total deposits within the banking

> Yet it is the weight of the commercial hanks with their large industrial portfolios, often allied through boardroom or equity links with the industrial/ investment banks, that bave the economic muscle. Nowhere in Europe do commercial banks enjoy such power as in Spain. But it is a power that is on the defensive and is balanced by strong State interventionism.

> This is most evident in the authorities manipulation of interest rates. Commercial, industrial and savings banks have been and still are subject to Government rules that force them to set aside an important slice of their deposits for Stateselected investment — the so-called "privileged circuits," named after the privileged rate at which the recipient obtained

> Since July 1977 the proportion of funds to be set aside—it varies according to the type of institution-has been lowered in an effort to realign interest rates more uniformly. But still the general effect is for those "free" funds to be artificially costly to halance the low interest received on the others. The system runs in something of a vicious circle. So long as a medium/long term money market does not exist. the privileged circuit system is needed. Yet so long as it persists it distorts interest rates and prevents the establishment of a money market.

the Finance Minister Dr. Jacinto

that they can operate and com-

pete with one another on more or less regular commercial lines.

In recent months conflict be-

tween the Bank of Portugal and

the field of foreign borrowing

to manoeuvre, and despite the

guidelines set down by the Bank

capital movements. Foreign

sional standards.

money market.

Interference

anticipated recession. banks generally used to dealing with term operations—the indus-trial hanks (the nearest equivalent in Spain to a mcrchant hank)-have faced difficulties in restructuring debt and in coping with the parlous situation of many of their industrial equity investments. To keep affort (and three have foundered) they have had to turn more towards comnercial banking and sbort-term operations. Indeed several such industrial banks are now calling themselves openly "mixed banks." With the private banks, therefore, pulling out of term

The gap bas been filled by State credit institutions: either in the form of the Instituto de Credito Oficial (ICO) or through lts apecialised organs ln, say, industrial credit or housing credit. Nevertheless the ICO too ls now obliged to obtain one-third of its funds through the

Play

Meanwhile the savings banks have thomselves begun to act more like commercial banks. They can now deal in foreign exchange and discount paper. More important, reducing the proportion of deposits they are obliged to set aside for the privileged circuits, they bave had more funds available to play with and given the tight money situation these bave been employed as a commercial bank would and placed at short call. Last year their credits grew three times as fast as those of the commercial banks.

These trends, do not, however alter the basic overall structure. The principal feature of this structure is the system's domination by a handful of large with national networks. At the end of December 1978 the capital and reserves of the commercial banking system stood at Pta 538bn. Of this stood at Pta 538bn. Of this seven banks accounted for just over 51 per cent. Put another way, 93 per cent of the commercial and industrial banks provide less than 50 per cent of total capital and reserves. Together the Big Seven pro-

vide 47 per cent of all credit and absorb 63 per cent of total deposits. These banks are Banesto, Bilbao, Hispano-Americano, Popular, Saotander and Vizcaya. Within this group-ing there is a further domina-tion by Banesto. Central and Hispano-Americano (which also

attached by these hanks and their imitators to rankingleague table of which has the largest deposit hase, capital and number of hranches. Banesto Is the leading bank in this respect followed by Central. The past year has seen both absorb other medium-sized family banks—a process which is likely

to continue.

Banesto absorbed Banco
Cocca (owned by the Coca
(amily) in a hurry and found the merger much more difficult than anticipated. Central, in a more studied move, absorbed Banco Iberico controlled by the Fierro family. The net result of both these mergers however was to make these two families largest individual share bolders in the respective banks. Another particularly Spanish feature is the way in which small regional and local banks continue to proliferate. These are banks which are solely involved in one area, often with little more than 10 branches, sometimes less. Logic may dictate the value of rationalisation but conservatism of clients still gives a validity to these cntities. Accordingly, the number of small banks with specific identities is expected to remain a Spanish phenomenon, albeit a slowly vanishing one. For instance, despite there having been six bank failures in 18 months, all among local or regional banks, there has not been a significant switch of

Cynics would say this is because the authorities have kept the lid tight on the extent of lossea of the failed banksor for that matter on the reasons why they failed. To maintain confidence in the banking system, the Bank of Spain, in conjunction with the 108 banks, established last year the Corporacion Bancaria, Capi-talised at Pta 500m split 50/50 between the banks and the Bank of Spain.
The "bank hospital" was

prestigous institutions.

to larger, more

designed to take over alling banks and in the hope of restoring them to health it has. taken over five banks, considerably more than expected when the Corporacion was created. It is too early to judge whether they can be restored to bealth and sold off again. No one likes the Corporacion. But no one can see an alternative acceptable both the hankers and the politicians, who bave always bad the ultimate say on the impact of a hank collapsing.

Robert Graham Madrid Correspondent.



PORTUGAL

More stability evident

SET AGAINST the topsy-turvyescudo and controlling foreign atmosphere that has prevalled exchange.
in Portugal since the revolution Earlier

five years ago, the banks bave been remarkably swift in settl-ing down to a period of norm-ality after the initial disruption. Banking was one of the sectors tion of a circular giving the country's nationalised banks and main institutions one month to most affected by the revolution. The State took effective control of over 95 per cent of all bankpresent their accounts and clarify their plans. The circular, issued by the Bank of Portugal in collaboration with ing activities, making Portugal the European country where the State exerted the greatest power. The "captain's revolt" on April 25, 1974 unleashed months Nunes, was essentially designed to impress Portuguese bankers of enerchy during which bank employees invaded boardrooms, with the need to raise profes-

expelled managers by force, and accounts upside down. Today the banks remain nationalised but their way of flife has changed dramatically. Only recently tha non-Communist trade nnion organisation, the General Union of Workers (UGT), which has the backing

of political parties such as the Right-wing Social Democrative Party (PSD), won an over-whelming victory in the bank temployees union elections.

Many of the former bank managers have remined their managers have regained their positions, and banking secrecy is being vigorously applied

The changing aspect of banks in Portugal corresponds to the important role they are being asked to play in dealing with the crisis-torn post-revolutionary economy. The economic policies of three successive Portuguese

1. 2. 5. 5. 5. 5.

فقاوي

Governments during the past two years have been hased on essentially monetarist considerasystem than with any particular tions, in line with the tough policy pursued by the central dictates established by the bank.
International Monetary Fund
(IMF). As a result the banks been given greater in conflict with the EEC is over authority and discretion in the legislation regarding capital administration of credit, and flows. As part of its policies hankers in the mationalised eimed at preventing a further banking system now tend to deterioration of the balance of play the rather ambiguous role payments, the Government has of both civil servant and market introduced stringent rules on orientated businessman.

One of the most interesting investment according to a law developments in this respect has published in 1977 continues to been the growing strength of the be subject to control concern-Bank of Portugal, which has ing repatriation of profits. now virtually acquired the Portuguese officials argue functions of a central bank.

It is the Bank of Portugal tains certain provisions which that negotiates directly with the IMT and make sit possible for member that IMT and make sits a continual accounts. now virtually acquired the functions of a central bank.

the IMF and makes sure that States in exceptional economic the agreed policies are carried circumstances to implement now tempting the international ont, supervising credit cellings, capital control. Clearly though banking community into closer pegging the value of the a substantive change in the involvement, because the para-

templated in the medium terms Earlier this year the power of the Bank of Portugal to interof the Bank of Portugal to interof the Bank of Portugal to interfere in the running of the bank- full EEC member in 1981. ing system as a whole was Another constraint is the demonstrated by the distribu-

legal definition of banking in Portugal. As a sector reserved for public enterprisa this principle is enshrined in the 1976 constitution and regulated by a law published in July 1977.

Nevertheless, although pre-sent legislation appears to prohibit the right of establisbment of private banks, it does provide various loopboles for what are defined as "parabanking institutions."

The most significant develop-ment in this respect was the authorisation in March this Such interference is regarded year of private investment companies. These will be entitled alised banks, which would like to make their own decisions now own resources or through the co-ordination of other sources of finance from credit institu-tions and from similar Portuand foreign establishmeots.

at least one leading Portuguese commercial bank has arisen in In practice the investment. companies will be as free to act as the Portuguese nationalised banks, with one major difference. They will not be able to accept sbort-term with both sides disagreeing on the viability of a particular pub-lic corporation going to the deposits. Ganerally though, Portuguesa banks have considerable room

This restriction, bowever, will be compensated by what promises to be both the quality of Portugal credit ceilings continua to be decided on a per bank basis. If constraints exist these have more to do with the legal definitions of the banking and the scope of the operation of private investment com-The companies already count

on the substantial support, both moral and financial, of foreign banks. Until now both the market share and impact of foreign banks in Portugal has been limited, mainly because of legal constitutional con-straints. The exception has heen the operations of Lloyds (Bank of London and South America) Credit Lyonnais and Banco do Brasil. All three hanks existed before the revolution and were subsequently left untouched so as not to alienate the international financial com-muoity. They bave continued to be marginal to the overall picture, however, as they have been primarily concerned with financing trade with their

respective countries. The authorisation of investment companies is, however,

present law will have to be con- banking lastitutions" will be concentrating on a sector of the Portuguese economy which has felt itself discriminatad against in terms of credit.
While the nationalised banks

have tended to concentrate on short-term floancing, par-ticularly of big projects in the public sector, investment comlonger term credit to small and medium-sized private concerns, which account for about 90 per

cent of the country's exports.

The Portuguese Finance
Ministry is believed to have received no less than five applications from groups wishing to be defined as investment coor-panies. The one that appears to be in the most advanced stage of establishment ia a financial consultancy formed last year by the Portuguese Industrialisi Jose Manuel de Mello, together with Morgan Trust Guaranty and Deutsche Bank.

The involvement of one of the best known Portuguese private businessmen with two well respected and relatively conservative international banking forces is perbaps a sign that a greater liberalisation of the Portuguese banking system is

How the regeneration of the Portuguese private aector and the return (If only in clouded form) of foreign banks will affect the Portuguese nation-alised banks remains to be seen. What seems likely is that the appearance of private investment companies will lead, at least in the medium term, to a greater rationalisation of the Portuguese banking atructure.

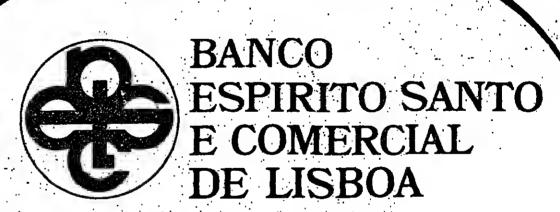
Portuguese commercial banks

continue to he too numerous and too small to compete adequately both on the national and international scene. The three largest — the Banco Portugues do Atlantico, Banco Espirito Santo and Banco Pinto e Sotto Mayor do not rate a listing in the world's top 300 banks It is to be expected therefore that future Portuguese Governments will aim at amalgamating some of the existing banks. This will give them a greater con-

centration of power and ensure

their survival in what is fast

becoming a more marketorientated economy. Jimmy Burns Lisbon Correspondent



We are the ABECOR bank in Belgium. Marnixlaan 24, 1050 Brussel. Tel. 02/513.81.81. Telex 26392 BBLIN

HEAD OFFICE

95/119 Rua do Comercio, LISBON, PORTUGAL TELEX 12 191 - ARIEB P 13 370 - ARIEB P TEL: 36 03 81

INTERNATIONAL DEPARTMENT

230, Av. da Liberdade LISBON, PORTUGAL TELEX 12 675 - ARIEB P TEL: 55 52 48

WE ARE A LEADING PORTUGUESE COMMERCIAL BANK. INTERNATIONALLY TALENTED,

MATCHING THE PORTUGUESE PERSONAL CONTACT WARMTH WITH A WORLDWIDE BANKING KNOWLEDGE. IF PORTUGAL IS ON YOUR WAY, WE ARE ALSO THERE.

REPRESENTATIVE OFFICE:

17a, MOORGATE, LONDON EC 2 Telex: 88 69 50 - ARIEB G Tel: PBX 606 96 27

BANKING FINANCIAL PARTICIPATIONS

LIBRA BANK LIMITED

I LONDON WALL LONDON EC 2Y 5 DN

75 of the top 100 companies in Germany do business with us.

fd. Firma	Umratz Beachaftigte in Mill OM		LSt. Firms	Umsata tu Will		Beachaftigte In 1900			
IF	1911	1016	1977	1976	Nr.	1977-	1976	1977	197
nhastrieuniomekmen					Industrieuniernehmen				
									_
Veba	27359	372.9	66.5	61	51 Preursag	2618	2675	17,6	17.4
2 Sentens	5.108	20676	3190	304 i)	22 Describe South	278	2315	23,0	:
Noth surrenwerk	247.9 241.02	51 423 51 433	169 2 191.9	100.0	5: Hillinger + Berger	2307 2308	1910 2181	•	·
Volkovagenwerk	24172	23 485	191.0	18.1."		مسي	2101	-	
BASE	23 [8]	21177	III	1147	T. D. Lee, the others	o pur			
Baser	21.00	20HM	110.4	171.2	S Burkmager Ingellerm	2245	2214 1877	20,4	19,
Thyssert	21/01	21 450	142,5	147.5	57 Schenic	2133	1996	18.1	18/
AEC-Telofunken	14266	14469	138.1	161.9	18 Re- h Suemens Hunsgerate	2072	1925	10.E	207
					St Boller	2004	2152		
Windows 6	14132	13637	73.7	67 P	60 Conti Calmini	1954	1955	••	-
Kinckner-Gruppe	12135	1292	47	44	"#1 21-honorm		1702	19,8	19,
Esso	[2005]	11073	84 1	8.5 H	92 Mapirus Deut2	1856	2010	12,7	13.
RWE	LHT	114.0	37.9	ān.	As Batermerk	1822 -	1453	-	-
Deut - the She'll	11764	12121		•	64 Freudenberg	1821	1712	- 22,7	22
Mannesmann	11.714	11798	105 8	108.7	to bit kingratel	1613	1813		
Кгирр	111-03	4714	H= 6	76.3	67 7sts	1812	1 098	29,2	28,
Ruhisohla	1:1974	13340	147 3	147.5	47 Similing	15:38	626	18,5 .	17,5
Ford	19 163	8457	361	52.8				-	
Opt	H JUT	8 414	547	54,4	64 Meserschmitt Holkow Blohm	I ADT	1635	20,7	20,
Brick	9100	9219	110.5	104 A	na Kugelitaher	1746	1742	•	•
Deutsche BP	\$ 863	81.79	4,3	٦.,	To Stable order Rochling Burbech	1750	1911		15.
					71 Declarment a Wednamm	1987 1872	1506	13,4 14,3	• 145
Quandi-Gruppe	a +60	7400		•	73 Linde	1187	1.54	17,3	- 174
Motalige et chaft	7400	6829	•	•	74 Hoching-Gruppe	1164	1611	10.2	102
Deutsche Uniterer	7341	6721	34.9	31.7	A memilia diappa mina				
Hick Gruppe	e ort	590)	400	40.0	NO VENUE DE LOS	16-2	1701	17,5	14,5
Solzentier	4419	6724	32,3	54,1	76 Deutsche Manuflich	1630	1650	14,3	
1BM	CHAI	SAM	25.1 48.5	24.1 49.9	77 Belon- und Monterbag	1010	1270		
likes h Werke	لمن ہ	8145	40.3		78 Medium-Werke	1 800	1 300	•	-
Reemi-ma	6162	621(2	14.2	16.6	79 Sech - Gruppe	1582	. 1415	17.6	17,1
Deutsche Tesaco	5671	5.738	5.7	32.1	80 Deutsche Wichilin	548	1 461		
H-nkel-Gruppe	5 <i>3</i> 63 5143	3 142 4904	24.2	2.1	81 "-midealsche Minerie	1:44	1549	-	-
Ruhrgas	47.7	4006			RE PWA	1545	1 5 3 4	•	•
Deguses	44.0	1273			83 Korf-Gruppe	1 522	1 597	•	:
Parische Philips	4426	2803	31 0	3 7 0	86 HEW	1 <i>6</i> 1 <i>7</i> 1474	1469	:	. :
4 PAT	3977	3578	30 T	4 A	86 Dulinger Hulle	1440	1499	8.5	5.7
Brown Boveri	2417 2458	2830	311 F	241					
					85 Tchibo	4 # 4 #0	1146	10,3	9.
Value .	3512	3558	2.5	21.7 29.0	89. F\ 5	Lud	1334	-	•
Gurbers Cruppe	3 444 3 724	38% 28%	28.3	29.2 23.0	ou Banknechi	1760	1245	:	•
Unizmann Enka-Glanz-Ioff	3.273	3601	36.4	410	91 Reiersdott	1127.	1 196	•	:
Deutsche Bahcock	1382	32.4	25 d	27.4	83 Racher	1.400	1200	2	- :
Dr. saint Gobern-Gruppe	2000	2 900		•	84 Ecrloichemie Kuln	1284	1147	-	-
Chiker	2874	2857	1) 2	14 8	27 Eschweiler Borgwerksteren	1::90	1624	•	
VEW	2813	2734	7.1	8,3 33,1			<u> </u>		
Grundig	2755	2514	36 J	20,1	% Cherry Erdol Demochland	1279	1261	0.3	0:
					95 Schmalbuch-Lubece	1271	1217	16,0	11.1
Lluls	27.16	2 489	102	162	24 Bulenwerk	1:143	132	3.3	
SFL	2717	2674	20.9	33.4	98 Dichi Grupp	1215	1 100 1 273	13.5	12.0
Br.uksaus		ELIG	40	7.1	INC. INCOMESTIMATES - DF INCLIF *** ***			13.0	

Frankfurier Allgemeine Zeitung, September 1978

BfG:Bank für Gemeinwirtschaft

Headquarter, Theaterplatz 2, Post Office Box 2244. 5000 Frankfurt (Main), Telephone: (0611) 2581 Telex: 412210 UK Branch, Bucklersbury House, 85, Cannon Street, London EC4N 8HE, Telephone: 01/248-6731, Telex: 0051887628

AUSTRIA

Deposit rate argument

conclusion of a controversial of a new banking law, the Austrian banking world is in the midst of a public debate about the fashion in which the interest rate deal should be

Hopes pinned on an early easing of the credit squeeze measures, taken originally in January 1978, have just been dashed by Prof. Stephen Koren. Central Bank chief, whn cautioned that the current account deficit which was reduced last year to Sch 6bn (£206m) frem a peak of Sch 29bn in 1977, would reach Sch 15bn this year.

Thus restrictive policy should be a harrier to a dangerously fast expansion of commercial credits and at the same time a factor dampening consumer demand and pressures on imports.

As Austria Is still a country where almost everyone possesses anonymous savings hooks but only eight in too salary-earners and only two in 100 wage-earners own bonds, any change affecting the saviog deposits. which totalled Sch 433bn at the end of 1978. is bound to have serious repercussions. This is the reason why the mandatory interest rate cartel deat signed this spring and the relevant provisions of the new banking law constitute the current topic of

Until March 1 this year, rates In fact every hranch was willing to pay a socelled "grey" interest rate, agreed with the client the basic rate on ordinary sav- timed.

ings deposits remains 4 per cent banks competing for the small deposit saver's money have been willing interest rates and the adoption to pay well over 7 per cent on larger deposits not subject to notice.

As Austria's bank secrecy is even tighter than Switzerland's the money was available on demand and—given the legality of anonymous accounts with customers giving a password instead of a name—the interest was of course tax-free.

New legislation has effectively wiped out the "grey" interest rates with bank branches facing fines from Sch.100,000 to Sch.500,000 to case of violations of the rates "voluntarily" fixed hy the banks. The new agreement of March 1 fixes a maximum cciling of 6.5 per cent on savings deposits, subject to at least 36 months' notice.

Narrowing

always he one per cent below the current average hond rate

of the preceding quarter. The agreement has generated a shift of an estimated Sch. 10bnworth of savings deposits 10 fixed interest securities. As a result of the hoom, the hond markat fell from a gross yield level of 8.73 per cent in the first quarter of 1978 to 71 per cent this year for new issues and to 7.46 per cent on secondary issues.

However, the situation has now changed, with the interest rate differential narrowing between Austria and Germany. on deposits were fixed too, but The timing of the latest discount rate reduction from 41 to 3; per cent and the concerted efforts to cut domestic interest rates, "privately." While for example may turn out to have been hadly

July 1, there are already public hanking sectors and even individual credit institutions about branches in mid-1977 (legalised the scope and timing of the revisions as some specialised hanks and branches has jumped banks are said to violate the hy almost one-fifth to a record "spirit if not the letter" of the figure of 4,489. The ratio is agreement by offering higher currently one branch per 1,700 interast on certain savings de-posits, the commentator of Die Presse sarcastically remarked sion. it would he better to have no mandatory agreement than such a phoney one as signed in

The main point is that with domestic investors marking time and foreign institutional inveslonger finding the Austrian honds attractive, the hond market and the coupon of the future issues must be

hanks, with no separation between deposit and investment hanking functions. Further, the largest joint stock hanks, Creditanstalt Bankverein and Oesterreischische Landerbank, have large industrial boldings. The Creditanstalt group con-trols directly and indirectly com-panies with an agrregate turn-over of Sch 42bn and the Landerhank's industrial links report sales to the tune of Sch 12.9hn a year.

The special point in Austria is that since 1946 both hanks have heen under majority ownership of the State. There is in fact a single large hank owned exclusively by private shareholders. Thus they are either farmers' credit co-operatives (Raiffeisenkassen), credit unions (Volksbanken) or specialised banks in addition to

Bawag, the uninn bank.

The new banking law bas

various hanking sectors. Since conflicts between the various the de facto liberalisation of the foundation of new bank Austrian banking in the new law) the number of inhabitants and there is no sign of a pause in this all-out expan-

Under the naw law, Austrian banks have become almost indistinguishable from each Tha largast banks, as other. before, are the Creditanstalt per cent. Bankverein with assets worth Sch 142.8bn, followed by the Girozentrale, institute of the savings banks, with Sch 121hn and the Laenderbank with Sch 86.35n. adjusted to the changed conditions. The entire situation, including the growing pressure on profit margins and spreads, must be seen against the unique Austrian hackground.

As in West Germany, Austria's hanks have become universal hanks have become universal loans on behalf of the entire saving bank sector. The two largest Vienna-based savings hanks, Zentralsparkasse (total assets reaching aavinga bank sector.

Dynamic

Another dynamic institution is the GZB (Genossenschaftliche Zentralhank), the central institute of the farmers credit co-ops with banks and hranches accounting for over half of the grand total. It has acquired a holding in Austria's oldest private family hank, Bankhaus Schoeller, sharing control with the Schoeller family and the Girozentrale. Before the autumn a final agreement regulating the respective holdings will have to he reached.

One major unresolved issue is the answer of the central bank to the application tabled hy Creditanstalt, the number one hank, for setting up a subsidiary in Luxembourg. Other banks would also lika to follow

With the interest rate cartel given a powerful fillip to com- suit once Creditanstait is given agreement due for a review on petition between and within the the go-ahead. The Luxembourg in the internationalisation of

The share of foreign assets. and liabilities in the aggregate balance sheets increased from 7.7 per cent in 1970 to 15.7 per cent last year. However, Austria: bas failed to provide adequate tax and other incentives to. attract a large number of foreign banks to Vienna or to a really important become firmucial centre. It is estimated that foreign banks have a

market share of only about 3 As the current uncertainty concerning interest rates and co-ordinated policy measures shows the new law has shows, the new accentuated some of the built-in contradictions in the system with banks acting both as a stockbroker and as an investor, playing the role of an invest-ment adviser while at the same time running investment funds as well as managing portfillos

nn behalf of the public. Industrial links also are fraught with dangers, as shown by the costly engagement of the Creditsanstalt in trying to stave of the collapse of the Voeslauer textile plant and save Semperit,

the large rubber concern.
Following the Socialists' elec-toral victory bankers are afraid of a further "creeping socialisation" as already between half and two-thirds of all credits are in one way nr another subsidised or controlled.

But it is one of the interesting features of an amhivalent situation that for all the excessive size of the state and public sector and despite political interference of all kinds there, still prevails a genuine spirit competition - prohably acceptuated by the presence of young, able and ambitious men. on the boards of the key credit

Paul Lendvai

International access provides important flexibility in domestic



Big projects often call for financing beyond national borders, and trade patterns set their own money streams in motion.

Westdeutsche Landesbank, one of the world's major wholesale financing institutions, has built its reputation by making big money available wherever capital needs arise from progressive economic projects.

In domestic Deutschmark loans. Or in longterm Euroloans in DM and Dollars, for example via its wholly-owned Luxembourg subsidiary or through its London Branch. Here, WestLB's great flexibility in raising funds on a vast scale is of great value to potential borrowers in both the private and public sector.

WestLB's strong international position is complemented by its broad facilities for local finance in many important markets around .

In New York, WestLB's full-service branch has built an impressive loan portfolio of corporate clients in domestic US currency.

In London, Sterling credits to industry is a vital local financing capability. And within established parameters, Yen credits are available from the Branch in Tokyo. WestLB Asia Limited Hong Kong is ideally placed to give easy access to the Asian Dollar market. Banco da Bahia provides Cruzeiro facilities

In France, one of Germany's foremost trading partners, Banque Franco-Allemande - with its extensive trade financing experience provides credits in French Francs.

International and domestic financings are structured by WestLB's financial engineers headquartered in Düsseldorf.

When next evaluating your international or demestic financing needs, talk to the wholesale banker from WestLB first. He is backed by more than DM 80 billion in total assets.

A strong force in wholesale banking

VVestLB

Westdeutsche Landesbank

Headouarters: P.O. Box 1128, D-4000 Obsseldorf 1, Tel. 0211/S2 61 - Frankfurt Office: Tel. 0511/25791
Branches: London, Tel. 638 6141; New York, Tel. 754-9600; Tokyo, Tel. 216-0581
Subsidiaries: Westl B International S.A. Luxembourg, Tel. 45493; Westl B Asia Limited Hong Kong, Tel. 5-259 206 Representative Offices: Latin America Office New York Tel. 754-9620; Rio de Janeiro, Tel. 224-7162; Hong Kong and Southeast Asia, Tel. 5-228211; Tokyo, Tel. 213-1811; Melbouma, Tel. 67-8191

Participations; Banque Franco-Allemande S.A., Paris, Tel. 359 01 09; Banco da Bahia Investmentos S.A., Rio de Janeiro, Tel. 253-98-23

by international standards.

An important characteristic is the fact that directly or Foreign indirectly the State controls expanned most of the important elements ot the system. Besides holding the great bulk of shares of the Bank of Greece (the central bauk and the bank of issue), the Stale owns the only developmeni bank (Hellenic Iodustrial Development Bank), the Agri-cultural Bank and two other specialised institutions (Postal Savings and Consignments and Loans Fund).

Among commercial banks, the Minister of Finance represents at the annual meeting of shareholders, the majority of shares of the three biggest-National Bank (105th in the world league table). Commercial Bank 1270th) and Iunian and Popular -owned by trust and pension funds, and nominates (in fact, appoints) their top management. The National Bank, in turn controls the National Mortgage Bank, the Mortgage Bank, the Traders' Credit Bank and one of the two investment hanks, the National Investment Bank for Industrial Develop-

Controls

Commercial controls Ionian and Popular, the Piraeus Bank, the Attica Bank and the Investment Bank. The General Hellenic Bank can also he considered a State (in fact, army) controlled bank. The only Greek private hanks are the Credit Bank (with minority holdings by National Bank and Manufacturers Hanover of New York), Ergobank, and the Bank of Crete. The State-controlled commercial banks handle about \$0 per cent of total husiness. Since the 1960s Greece has attracted the attention of international banks despite the relatively small size of the local market and the existence of strict foreign currency regulations that have so far precluded the development of transactions in such fields as Eurodollars and buying and selling of foreign securities.

Besides carrying out ordinary local operations, foreign banks transact a multitude of worldwida shipping, tourist and trade operations. It is still debated, however, whether their presence has spurred Greek to modernise thair antiquated methods of operation or whether Ioreign banks have ended up by adopting the highly bureaucratic Greek practices.

Today 14 foreign commercial Canada, France, the Netherlands and Iran) operate with Piragua and Salonica. They engage in all types of comconcerns through foreign cur-

reucy transactions. hranches Foreign bank their transactions rapidly in the decade 1965-75; to the concern of some of the smaller Greek commercial banks. They are now handling about 12 per cent of total commercial bank deposus and about 15 per cent of total credits-a level that bas remained practically unchanged for three A Greek-Arab Bank is being

established in Athens with a \$1m initial share capital. Ruwaiti interests will particlpage with 30 per cent of the capital, the Libyan Arab Foreign Bank will hold another 30 per cent, while the remaining 40 per cent will he in the hands of the National Bank of Greece. This is the first exception made to the rule that 60 per cent of a Greek hank's share capital must he in Greek hands, hul it was explained that the new bank will specialise initially in offshore banking, a novely in Greek banking requiring the formulation of special banking rules.

The Government's Currency Committee, overall watchdog of currency and credit policy, also establishes reaerve require-ments for commercial banks. accounts at the Bank of Greece. In addition banks must place funds in Treasury or other State agency honds equal to 38 per cent of sight and savings deposits and blocked accounts. Commercial banks are also required 10 put aside a percentage of their deposits for loans to industry. In order to fight inflation.

restrict excessive consumer imports and in general curtail money circulation, the Cur-rency Committee has been restricting in recent years the increase of bank credits to " non-productive " sectors such as imports, But commercial banks have found it hard to abide by maximum credit For 1979 tha authorities are

trying a new credit policy which it is claimed will be more liberal and flexible, Commercial banks will in effect be able to expand their activities in accordance with the deposits they gather. The control of the Bank of Greece will henceforth be exercised not directly with tha setting of ceilings but indirectly through the mechanism of compulsory deposits which commercial banks are obliged to make with the central bank, The level of these deposits will banks (six American, four be adjusted in the course of the British, and one each from year in accordance with the needs of the economy.

Greek banks and the monefull-service branches in Athens, tary authorities are trying to assess the implications of forthcoming EEC membership

WITH GREECE on the merical banking under the same Greece's monetary and credit threshold of joining the EEC, conditions as Greek banks, list-the country's banking system, ing among their clients most discrimination existing as rewich constitutes the prioripal foreign concerns and joint regards EEC banks will be source of financing and includes ventures as well as important abolished. A number of Enrospecialised institutions, is of their chief contributions bas counsidered fairly sophisticated been to belp finance Greek open branches. These are likely to be mostly German banks.

Thus banking competition is expected to become keener in the future. Any limitation ou the establishment of non-LLC foreign bank branches in Greece will inevitably put American banks at some disadvantage ir, as contemplated, the celling on abolished, foreign banks could attract drachma deposits by offering more competitive in-terest rates. If on the other hand major Greek banks improve their services in order lo compete with foreign branchea, then the latter may hnd it difficult to make furth-

Favour

The Greek monetary anthorities, headed by Governor Menophon Zolotas of the Bank Greece, are in favour of joining the new European Monetary System (EMS), as it is likely to strengthen Greek monetary policy and place at Greece's disposal the facilities and credits of the European Monatary Fund.

The most important imphcation, however, will be that Greece will be compelled to observe a stricter monetary Raserves must be maintained in Policy. In addition, a basic prerequisite for participation in the system will be a success-fut fight against domestic inflation, this year expected to be in the region of 15-16 per cent and considered much too high. Greece must also organise a free foreign currency market and a spot and forward market in foreign exchange. The Bank of Greece (which is confident that the halance of payments can withstand the stresses of partici-pation) is already working on the technical details of such a. market The financial sector

dominated by the National Bank, the country's largest commercial bank. Its size has criticised by some. obviously an erroneous view considering the trend in European banking towards concentration into units of greater strength. The real problem is the small or medium-sized

Up to now Greek banks have been borrowing on a mediumterm hasis at interest rates quite often well above Libor. It is suggested that the larger banks could compete for sbort-term Eurodeposits (available at lower interest margins) on a renewal basis, which in turn, for instance, could be re-lenf in the same currency. The same banks could enter the Eurobond market as borrowers.

By Our Athens Correspondent

FINLAND

Guiding hand in economy

THE BANKING sector plays a postal giro system, handles were very visibly brought into and persuade them to moderate more important role in the State payments and offers all play during the four-year their wage demands. By text-national economy in Finland the services of a commercial depression which has just ended book rules, the basic interest than it does in many other bank.) Western developed countries. The Housebold savings are chanks, and the securities market is relatively underdeveloped. This is partly because of the innate central bank, and it is the Bank and ala conservatism of the Finns, who of Finland which initiates and tend to regard the bank as a controls monetary policy. This deficits, secure "stocking" in which to helps to explain its extrascreen stuff their savings. Banks are ordinary independence and capital, storing influence over the course the every dense network of the exercise. the very dense network of branch offices ensures that even in this country of vast distances there is always e bank around the corner, so to speak.

The Finnish banking syslem is mixed, with the private sector predominant. But the sector predominant. But the credit quotas first the depositState has been increasing its taking banks end charges a stiff
share of the credit market et penalty rate of interest when quite s rapid rate in recent these quotas are exceeded. In years, Public credit institutions take the State's share of market which is managed by the credit market up to about the state's the same of interest when and lending rates are adjusted the credit market up to about the same of the current the same of the deposit and lending rates are adjusted the credit market up to about the same of the credit market up to about the same of the deposit.

The basic interest rate has now assumed a political character.

By law, the basic interest rate has now assumed a political character.

By law, the basic interest and lending rates are adjusted the credit market up to about the same of the credit market of interest when and lending rates are adjusted the credit market of interest when a political character.

By law, the basic interest and lending rates are adjusted the credit market of interest when and lending rates are adjusted the credit market of interest when a political character.

By law, the basic interest rate has now assumed a political character.

By law, the basic interest when and lending rates are adjusted the credit market which is a political character.

By law, the basic interest rate has now assumed a political character.

By law, the basic interest rate has now assumed a political character.

By law, the basic interest when a political character.

By law, the basic interest when a political character.

By law, the basic interest when a political character.

By law, the discount rate in recent and lending rates are adjusted when a political character.

By law, the discount rate in recent and lending rates are adjusted when a political character. share of the credit market et quite s rapid rate in recent years, Public credit institutions take the State's share of the credit market up to about 40 per cent. Deposit business, against it almost arrivaly in the interest when assumed a political character.

By law, the basic interest and charges a sum assumed a political character.

By law, the basic interest and charges a sum assumed a political character.

By law, the basic interest and lending rates are adjusted —is fixed by the Parliamentary bank Supervisors on the recommendation of the Board of the Rapk of the credit market up to about the relatively new call money and lending rates are adjusted —is fixed by the Parliamentary bank Supervisors on the recommendation of the Board of the Rapk of the credit market up to about the relatively new call money and lending rates are adjusted —is fixed by the Parliamentary bank Supervisors on the recommendation of the Board of the Rapk of the credit market up to about the relatively new call money and lending rates are adjusted —is fixed by the Parliamentary bank Supervisors on the recommendation of the Board of the Rapk of the credit market up to about the relatively new call money and lending rates are adjusted —is fixed by the Parliamentary bank Supervisors on the recommendation of the Board of the credit market up to about the relatively new call money and lending rates are adjusted —is fixed by the Parliamentary bank Supervisors on the recommendation of the Board of the credit market up to about the relatively new call money and lending rates are adjusted —is fixed by the Parliamentary bank Supervisors on the recommendation of the Board of the credit market up to about the relatively new call money and lending rates are adjusted —is fixed by the Parliamentary bank Supervisors on the recommendation of the Board of the Rapk of the credit market up to about the credit market up to about the parliamentary bank supervisors are adjusted —is fixed by the parliamentary bank supervisors of the credit market up to about again, is almost entirely in the interest rates. To a smaller hands of the private banks, extent it also influences the with nuly Postipankki competsituation through its direct ing. (Postipankki translates un-officially as Post Office Bank. It

All these standard officially as Post Office Bank. It All these standard regulators recession it was lowered twice is a deposit bank, runs the of the money supply in Finland to keep the trades unions bsppy

of the economy.

The central bank is virtually the only source to which the banks can turn for the funds they always need extra to lhcir deposit holdings to finance trade and Industry. It fixes credit quotas for the deposit-

bank.)

The perennial shortage of the politicians bavered and capital relative to the need and the borrowing requirements of Finland along for some time that held the fort against the mounting assault of inflation and alarming increase in the trade and current account deficits. It also can and does screen all imports of foreign

Character

About the only instrument of monetary policy which it can-nol use at will is to vary the basic rate of Interest (also known as the discount rate).

management of the Bank of Finland. In fact, it is seldom changed, though in the exceplional condilions of the recent

rate should be raised now that money is easier—in fact, money is even described as "cbeap." But any proposal to raise the basic rale now could create a political storm.

The deposit-taking banks, all

The deposit-taking banks, all of which have the rights and effer the services of commercial banks, are traditionally divided into four groups: commercial banks, proper, cooperative banks, savings banks and Postipankki. Using the criterion of the balance sheet tolal for 1978, the three biggest banks are Kansallis-Osake-Pankki (KOP) FM 16.2bn (£2bn), Union Bank of Finland (FM 16.0bn) and Postipankki (£201), Onion Bank of Finiand (FM 16.0bn) and Postipankki (FM 12.5bn). They are placed 203, 202 and 282 respectively in the world ranking list published by American Banker (the con-solidated balance sheet total puts Union Bank just ahead of KOP). Foreign banks may not incorporate in Finland, but are allowed under the law to open representative offices, which a couple bave done.

Finnish banks are forbidden

per cent of the share capital of a company pursuing business that is not directly related to banking, and such holdings in aggregate may not exceed 10 per cent of the bank's own equity. Exceptions can be made for limited periods, as was seen during the recent recession when the three biggest com-mercial benks proper (the two already mentioned and Bank of Helsinki) felt obliged to mount rescue operations for large in-dustrial companies that found

themselves in trouble.

The main competition for household savings comes from the share and bond market. The three private mortgage banks sold out their recent new issues in a few days, against several weeks in earlier years. Govern-ment bonds are also selling well. It is not surprising. Tha bighest bank deposit rate, for 36-month accounts, is 72 per cent plus e savings preminm. Current bond rates are either side of 10 per cent tax-free for 5-10 year maturity. With infla-tion creeping back into double figures, the saver is beginning to forget his old suspicions end look beyond the bank around the

Most worrying to the private banking sector today is the creeping and overt State control of money flows. The Left-wing parties have made no secret of heir intention of achieving this, and for all its impartiality the Bank of Fiuland has not attempted lo prevent the encroachment. An example of creeping control is the pressure on deposit banks to take up State bond flotations which, ultimately, is a form of income transfer beyond the banks' control and usually alien to their obligations to their main clients, trade end industry.

Examples of open control are the establishment in recent years of Stale-owned credit In-stitutions such as the State Investment Fund (INRA) and the Regional Development Fund (KERA). In a capital-hungry country, such moves divert precious resources which the banks feel could sometimes be put to

Lance Keyworth Helsinki Correspondent

PROFILE

Koivisto

DR. MAUNO KOIVISTO, Ph.D. 55, has been Governor of the Bank of Finland since 1968. After three years at elementary school, he took up his father's trade as a carpenter in the harbour of Turku, the town where he was born. After war service in the army, he went back to the educational grind-stone. The subject of his Ph.D. thesis in 1956 was "Social Relations in the Port of Turku." He has twice been Minister of Finance and was Prima Minister in 1968-70, So much for the bare bones

of this somewhat enigmatic man who holds one of the most powerful offices in the Republic of Finland. A senior banker in the private sector calla him "a strange phenomenon in Finnish

strange phenomenon in Finnish society, a sociologist who talks economic policy, a central banker who is interested in Government financing."

The unassuming, almost shy, impression be gives may be one explanation for the extraordinary support be seems to command in public opinion polls, a popularity that is all the more amazing because his stringent money policy did nothing to relieve the record memployment that Finland suffered during the recent economic recession. When told that the tight money situation leading to bankruptcies, was his response was simply that there would be more bankrupt-

The Bank of Finland has produced five Prime Ministers and three Presidents, so there is nothing unusual ebout "Mann's" (his popular name) occupancy of the Governor's chair. He has come out top of the pops in polls to discover President Kekkonen's most likely successor in 1984, without seemingly doing a thing to earn the support



Member of Italian Saving

FOREIGN SERVICES

- * AUTHORIZED BANK FOR FOREIGN SERVICES («BANCA AGENTE»)
- * ASSOCIATED TO S.W.LF.T. (CODE BMMI IT MM)
- * WORLD-WIDE BANKING SERVICE
- * CORRESPONDENTS THROUGHOUT THE WORLD

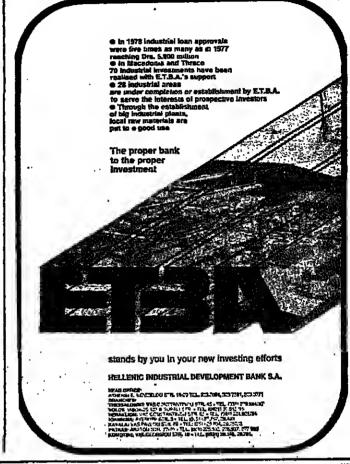
HEAD OFFICE

MILANO - Vie Monte di Pietà 7 P.O. Box 1898 telephone 88861 telegrams: Benkmont telex: 310568 BMMDIR (general)

321044 BMMCAM

(foreign exchange)

MILANO - Mein Branch - 16 Town Agencies CINISELLO BALSAMO(MI)-CARUGATE(MI) MONZA (Milano) - MANTOVA - CREMONA



Old link is broken

of the most testing for the Irisb banking system. After much agonising, the Irish Government decided just before last Christmas to enter the European Monetary System, Britain joined or not. wbether

In the event the EMS had a delayed start, but Ireland nevertheless had to introduce for the first time exchange controls against sterling. This was to ensure that if the parity of

way until February and Ireland hoped to have the best of both worlds. It entered the system, and agreed to keep the punt (Irish pound) within the 24 per and agreed to keep the punt over interest rates and credit, iterated will only allow sop.

(Irish pound) within the 21 per They had to stay close to The effective devaluation cent margins of fluctuation with British rates, and this meant against sterling, bowever, bas the seven other currencies. But that any independent monetary not been through any inherent that any independent monetary not been through any inherent Oil, for example, which amounts to some 10 per cent of with sterling could be main. Hopes that the parity with one can tell but because of the imports at £300m was bought with sterling could be tained for some time.

-The reason was simply that so much of Ireland's trade is still with Britain. Some 47 per cent exports go to Britain and 48.9 per cent of imports come

quarters of Ireland's trade-Ireland also had the advantage that with the two pounds freely a 22 per cent and kept the parity interchangeable, it could link with sterling.

TELEPHONE: 01-523 1066

TELEX FOREIGN EXCHANGE: 885653/4/5

ADMINISTRATION: 886228

bankers in Europe.

movement for sterling also meant that as a spinoff of the sterling cushion the Government's public debt was made easier to fund. Sterling went or the advantages being that in the foreign exchange depart duals had to go into punts from the shorts, for example, the ments of banks.

yield was usually around to per cent-better.

One disadvantages

Currency and bave lo go through because companies and individuals had to go into punts from pounds.

The punt (at the time of the cent-better writing) is fetching as for the companies are the companies.

However, hankers the Irish and British pounds to the Irish gilts markets, one diverged then a "sterling gap" through Dublin would not occur.

The EMS did not get under yield was usually around 1 per

the strength of sterling. Three well, staying near the top of the weeks after the start of the snake.

ent exports go to Britain and 8.9 per cent of imports come rom there.

EMS, sterling was performing Membership of the EMS and so strongly against the U.S. the break with slerling bas dollar with the result that for meant some wide ranging related to have stayed with it re-adjustments bowever, and it

The Government decided to or region of Britain. It bed full stay with its Enropean obligation the cyclical movements of access lo sterling, which meant tions and therefore cut the the British economy, will turn that it could run balance of bistoric 150-year-old parity link out to bave been the right one. payments deficits which for a with sterling. The Irish punt, So far the de facto devaluacountry of its size would in fact, had legally been a tion against sterling does not
bave thoroughly alarmed central separate currency for some appear to bave adversely
bankers in Europe.

to diverge.

Now, bowever, the position has been clarified and Irisb One problem immediately cheques and currency are following the break was that treated as any other foreign there was a shortage of punts

Ireland had virtually no control as 94p. Hotels in Northern over interest rates and credit. Ireland will only allow 90p.

sterling would be maintained strength of sterling. Against for a comfortable transition the other currencies in the period were dashed because of EMS, the punl has performed

would heve meant the punt is still early days to tell which amounts to some £6bn.a being dragged through the roof whether the move, which at year—is transacted in sterling. of the EMS. It could not have bottom is a decision to try and maintained its fluctuation within lock the small but growing Irish economy into the stronger cur-rencies of Europe such as the

Additionally, the freedom of values of the two were allowed exports of food and prices bere are fixed under the Common

Agricultural policy.
One problem immediately

ield was usually around to per The punt (at the time of However, bankers say that ent-better.

One disadvantage was that banks and it bas been as low even though the trading reland had virtually no control as 94p. Hotels in Northern or interest rates and credit. Ireland will only allow 90p.

in sterling as were many capital goods. Before the break the foreign exchange dealers prob-ably saw turnover of some £20m a day. Now the daily volume is some £200m a day. More than three quarters of this is in sterling dealings.

In order to keep the punt steady, the Central Bank at first only allowed spot dealings and forward cover for bona fide trading purposes, although it is now more flexible. Also it did bave what local commentators called e "dirty floet". That is to say, it was prepared to inter-vene not just at the top and bottom ends of the permitted 24 per cent finctuations, but in a narrower band within the

This was not because the Central Bank felt that the 24 registered foreign exchange dealers were not capable of handling the punt, but because there was ao little experience in bandling an independent cur-rency it was felt better that the Central Bank (which has at least £60m available at any given time), should keep it steady for an introductory period. In the event, very little intervention has been necessary. The likelihood of a punt sbortage developing and acting as e brake on growth seems unlikely, even though all trade

and credit bas to be in punts. Ireland bas an open economy and last year the trade deficit was probably of the order of £700m. However, invisible earnings (notably tourism) brought the deficit down to £130m. There were also inflows on capital eccount so that reserves at £1.25m at the end of December were £200m higher than e year earlier.

Ireland thus now has a small microcosm of the British banking system. There are four main joint stock banks known as associated banks. Of these the Bank of Ireland and Allied Irish Bank are the best known The Allied Irish bank which

bank card system is now trying to take over Barclaycard's business in Ireland. Besides these, there are 39 non-associated banks and other assorted finance houses and a smattering of merchant banks, which are usually tied up with associated and nonassociated banks.

The major difference between the non-associated and associated banks is the associated bave to maintain liquidity ratios of 43 per cent with the Central Bank while the non-associated banks have only a 23 per cent requirement. The associated banks also do not go inlo the short term money markets to raise funds as can the nonassociated ones.

> Stewart Dalby Dublin Correspondent

a Trusted Friend



1841 The young Queen Victoria had just come of age. Charles Dickens was becoming famous with 'Oliver Twist', while in France Delacraix was Academy because of his 'impossible' colours.

1841 The Greeks - whose recent war of Independence hed given Delacrolx his best subjects - hed already their mejor Bank. The Netional Bank of Greece, was doing business, lending money, printing currency for the Government, paying Interest for saving

From 1841 the National Bank of Greece has been et lhe center of

Greece. Generations of Greeks have come to their Bank for help. counsel, service. They always considered the bank as e trusted

oday this trusted friend of every Greek - businessman or housewife - is stronger ... and friendlier than ever before. Il is

NATIONAL BANK OF GREECE

Indeed the biggest single corporation in Greece - end conducts 65% of ell banking transactions in the country. But it is also a company that the Greek people regerd as their own - aince it actuelly belongs to them.

> he Netional Bank of Greece is now one of the 100 largest banking corporations in the world." It is offering a full range of services to Graek end foreign businesamen. It covers the whole country with its madern, fully computerized organization. It combines e unique tradition and experiance with apace ege technology and the friendliness that has made it the Greeks' trusted friend far 137 years.

a Trusted Friend

The Dynamic Third. Market shares of total deposits

1974 1978 The Skopbank Group") The cooperative banking system 22.4 Biggest commercial bank 16.8

Second biggest commercial bank 14.6 All others together.

skopbank

The Skopbank Group
The Dynamic Third of Finland

Street address: Aleksanterinkatu 46, SF-00100 Helsinki 10. Phone: 17251 Telex: Foreign Exchange and Eurobonds 124759 skop sf. Payment Orders 122285 skop sf. General Business 122284 skop sf. SWIFT-address: SKOP FI HH. Affiliated bank: Banque Nordeurope S.A., Luxembourg.

RCIAL UNION BUILDING, ST. HELENS

Established 1857

HEAD OFFICE:

Via Don Ernesto Ricci, 1 63023 Fermo (AP)

Cable address: Carisparmio Fermo Telephone: (0734) 35141 (8 lines) Tclex: 560182 Carfermo

S.W.I.F.T. code: CRFEIT 3FA

Reserves Lit. 12,000,000,000 Deposits Lit. 300,000,000,000

Member of Society for Worldwide Interbank Financial Telecommunication s.c. (S.W.I.F.T.) IN THE MIDDLE OF THE ITALIAN FOOTWEAR AREA

All Domestie and Foreign Banking Transactions

CHINA

More financial discipline

SURPRISINGLY China's central bank, the People's Bank of China, has only just begun to play a role of any consequence in Peking'a ecocomic policies. Although the present leadership bas been in power since autumn 1976 and throughout has constantly emphasised the importance of the economy and the need to modernise, the bank appears to have assumed a very subdued This spring, however, the leadership has given it teeth

to enforce financial discipline. Before the Cultural Revolution in the early 1960s the bank was supposed to be a strong lever of control, preveoting unauthorised understand in the post-revolu-investment and making sure, by tion period when it was simply keeping an eye oo all transac-

ENOUGH, economy by getting supplies of demned as bourgeols. raw materials and parts from hlack marketeers. Like bankers everywhere if shunned publicity, but what information there ls suggests it did its job quite

> After the Cultural Revolution and attendant chaos it was supposed to bave resumed this function, but in recent months official news items have made it clear that neither in the early seventies nor in the economic expansionism of the last two. years has it been able to preofficials and managers from borrowing huge sums to finance their pet schemes.

was not difficult not safe for anyone to try tions, that factories were out enforce regulations, which under supporting the underground the Gang of Four were con-

in the last 18 months it has apparently found it impossible (or has not tried) to stop the process, despite the supposed ecocomic pragmatism of the

Peking has known for over a year that uncontrolled borrowwas wrecking orderly development. Almost since the fall of the Gang, the Press bas ioveighed against the muddle and extravagance going on. But has it been able to pre-determined provincial Peking seriously tried to restore control

> The clamp-down came at a conference of branch managers the People's Bank February. It coincided with Pekiog's rethink of economic planning, the "readjustment" the economy announced at the end of that mouth in the People's Daily, and the "postponement" of a number of large contracts for equipment that were under negotiation

with the Japanese. Indicating the importance Peking attached to the meeting, the conference was addressed by senior Chinese leaders, and report on it carried some vital bome truths about banking in China. "The efficiency of our hanks lags behind that of 17-year period preceding Cultural Revolution," it cootrolled. "and trails far behind banks in other parts of tha

Importance

The meeting took some important decisions. In future bank loans should be granted on a case-by-case basis, they should go to the best qualified recipients, and loans with favourable terms should be awarded to "well organised, vell managed and creditworthy enterprises which bave success fully implemented State plans and contract provisions."

Most important perhaps was the ruling that banks should bave the power of decision and the strength to refuse loans recommended by "any leading comrade." To prevent this they were urged to make frequent reports to senior party and Government officials. The Im-plied threat is oot an idle one; over the past year some pro-vincial leaders bave lodeed been sacked for their wasteful-

It is interesting that the People's Bank appears to have fallen so much under the sway of local oabobs, since it is a semiautocomous body reporting only to the State Couocil (the Cabinet), presumably to avoid just this problem. One must infer that since the old system for keeping it as a relatively independent watchdog did not work. Giveo the nature of Chinese society this one may not either.

emned as bourgeois. The banking conference and What is more puzzliog is that the economic "readjustment" have been accompanied by some organisational changes which may make a real difference. The first was the resurrection in January of the Agricultural Bank, dormant since 1965. Its function will be to administer rural credit and ensure it is osed in ao organised and productive way.

> The next was the re-establishmeet of the Bank of Constructioo to cootrol loans to industry. Amazingly, the New China News Agency (NCNA) records, sioce 953 capital funds have simply been handed over to building departments without further formality. Now bank loans will gradually replace Government appropriations, for which contracts must be drawn up. Loans will have to be repaid on time with interest, and if not there will be economic sanctions.

scrutinise more closely applications from local factories for foreign exchange to buy uipment overseas. While official Chinese sources have not expatiated on this problem, it is clear that for individual plants the facility to draw hard curreccy for favourite projects may bave contributed to China's present problems, and that it will now be much more carefully

The Bank has been urged also

To belp raise funds the People's Bank bas increased from April 1 the interest rates on fixed deposits, including those beld by Chinese overseas. The oew rates are not spectacular but since there is oo income tax the figures compare better with foreign rates than is immediately apparent. Until recently it might have been safe to add that they were also worth more because there was no inflation. but with wage rises, liberal bonuses and free markets sprouteverywhere, prices bave probably risen substantially.

One of the motives for raising interest rates may be to siphon some of the new speeding power into deposit accounts. This suspicioo is confirmed by the new difference in the rates. A Chinese now putting his money on deposit for five years can get over 5 per cent per annum, while over one year the interest is just under 4 per cent. To attract foreign depositors better rates are offered to Chinese overseas-5.4 per cent over five years and 4.9 per cent over one.

closely related to the surge in this year. Nearly two years ago the BOC sent a team to Europe to study expansion of cootacts with foreign banks and to examine proposals for various forms of credit which Peking bad previously rejected on ideological grounds.

To provide a solid base for

Terms where facility Amount available organisation **APRIL 1979** Ioan ' \$100m 5 years; not fixed to commercial Lloyds Bank specifie project. International commercial loan commercial Standard Chartered 1% over Libor " in accordance with -Governmt Australian Government credit for Export Finance and 85% cost Insurance Corporation (for motel units) Chines paying 15% \$100m 5 years -Canadian Imperial Bank of Commerce commercial 5 years Hessische Landesbank 1% over Libor loan Girozentral and \$10m not project-related Bank of Chile loan . MARCH 1979 Midland and untied to projects International (MAIBL) \$30m n.a.—bat to finance Chase Manhattan trade centre in loan. Peking.

INTERNATIONAL CREDITS

\$5bn up to 5 years-71% UK Government (includes over 5 years—71% \$1.2bn repayments. backed agreed up to \$20m over 5 yrs. np to \$100m over 8 yrs over \$100m over 10 yrs DECEMBER 1978 \$400m contracts must be

\$500m 3½ years repayable

in hump sum.

Midland Bank \$300m over \$5m and be \$100m placed within 18 \$100m months. 74% up to NatWest Warhurg Standard Chartered Barclays Bank Int. Williams & Glyns Royal Bank of Scotland \$50m Bank of Scotland COFACE-

French Government FFr30bn 71%-71% Under discussion APRIL 1979 Italian Government \$2bn 1% over Liber 41 years Bank of Tokyo leading 22-member syndicate Bank of Tokyo. Sobn 1% over Liber. 30 participating banks

Union des Banqoes

Arabes et Françaises (UBAF)

The activities of the foreign its imports last winter and more difficult by the Chinese arm of the People's Bank, the spring Peking began after desire to borrow only in dollars, Bank of China (BOC). are many months of discussions to while the Japanese Eximbank the leadership was clearly having second thoughts about the degree to which it was wise to run up debts, and negotia-

(over \$8bn) were cooled. Negotiations with both Japan and West Germany were made

sign credit arrangements (see and the German Covernment normally both lend only in their own currencies. In mid-May, bowever, a Chinese banking missioo in Tokyo signed a loan tions with Japan, which in agreement with the Japanese volved the largest amounts Eximbank for Y420bn (about \$2bn). Two further agreements with syndicates of Japanese banks for \$2bn and \$6bn each

backed

credit

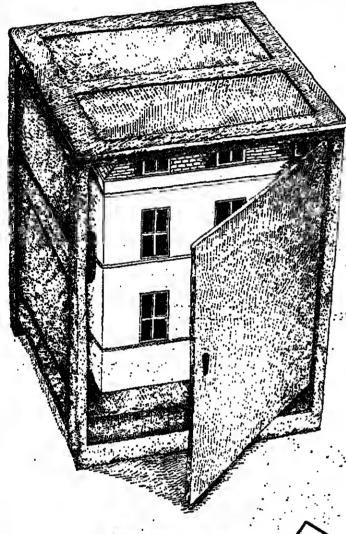
commercial loan

revolving

were due to be signed before the eod of the Chinese visit. By early May, however, the Chinese did not appear to have drawn on any of the credit they had arranged, and their future trade and financing seemed uncertain as their " readjustment" plans were not finalised. Much will depend on the degree of order they cao establish at home, in which the People's

Colina McDougall

The great investment you will never find in your safe.



Are your funds under invested in property?

Investors wishing to balance their portfolios can take comfort from the old axiom that "Nobody ever bought onything worth having without paying too much for it." Quality property investment must however be bocked by in depth research and first class management.

The partner responsible for commercial property investment and management is ...



20 Grosvenor Hill, W1X 0HQ Tel: 01-499 8644 Also at 19St. Swithin's Lane, London EC4N 8AD other UK offices

Banbury Beccles Brechin Chelmsford Colchester

Croydon Fakenham Hereford Lincoln Norwich Salisbury Wimborne Guernsey



London

Amsterdam



BELGIUM/LUXEMBOURG

Continued from Page XI

tioo improved "very satisfac- long-term syndicated Eurocredit the Government's return to the torily" to pass what the bank sees as the milestone of BFr 5bo and net profits increased 17.7 per ceot to BFr 2.1bo.

Togeth system system to the decident border is the decident between the Green the Green to the footent to the flower than the flower tha per ceot to BFr 2.1bo.

At Banque Bruxelles Lambert —the four-year-old amalgama-tion of Banque de Bruxelles and Banque Lambert—the profit figures so far published paint ao even rosier picture. In its six month figures to September 30 last, the bank indicated a 70 per cent increase in profitability. At Kredietbank, which is the financial flag-carrier of the Flemish business community, similar confidence has been expressed for the financial year which eoded March 31 last.

Kredietbaok has a notable record for having sustained its profit levels even during Belgium's economic doldrum years, and in March 1976 reported a 21 per cent rise in pre-tax earnings. For the half year up to September last Kredletbank announced an 8.1 per cent rise in its balance sheet total to BFr 352.3bn and said it anticipated its full 1978-1979 results "with confidence." The leading Brussels stock-brokers Peterbroeck, vao Campenbout and Company has noted that while Kredietbank ranks third in balance sheet and deposits, in terms of profita-bility it is No. 2 and contending strongly for first place.

No doubt the freshest breeze that will ease Belgium's domestic market constraints and give the hanking sector new impetus is the decision by the Government to resume foreign borrowing after an absence of years from international markets. In order to ease the strain on the Belgian market of funding the Belgian State's public sector horrowing require-meot, and by pointing the way to lower interest rates io Bel-gium slimulating the economy to avert speculative pressure oo the Belgian franc, the Government is expected to raise up to BFr 30bn abroad,

It is likely to start the programme by raising short-term Euromarket credits of three to six-mooths' maturity, with a

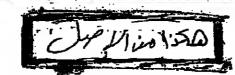
We operate all over the

In addition to our Offices in Frankfurt, London, New York, Paris, Tehran and Tokyo, we have 1,000 correspondents spanning all the Continents. We are also members of London & Continental Bankers Ltd., whose shareholders have a network of 40,000 outlets throughout Europe.



BANCA NAZIONALE DELL'AGRICOLTURA

Représentative Office: 85, Gracechurch Str., Room 50 London E.C. 3V OAR TEL: 6232773 Telex 884651 LDNAGR



By N. J. MICHAELSON, Our Athens Correspondent, recently in Nicosia

Cyprus adjusts to the lack of a solution

CLOSE ON five years after the last December. They continue Turkish Invasion of Cyprus, it hoping against hope that many does not take long for a visitor others are not dead. to the South, the area controlled by the Greek-Cypriots, to underatand that the problem, which has tong disturbed the eastern of Greek hopes against hard

Greek Cypriots still question whether it is right for Turkish troops to continue to occupy 40 per cent of the island in defiance of UN resolutions, to war, or even that interna-They tell everyone that some tional pressure could force They tell everyone that some day, somehow they wilt raturn their bomes in the North. meet with their relatives in the enclaves there, and find those missing since the short but destructive war which divided the island in the summer of

of fired to

related to

in project?

it to figure

· Papayable

i di

Fig. Company

ti ti

inter in

At the same time, they appear to have adjusted to the situa-tion created by the events of 1974. After the loss, according to Greek Cypriot figures, of 70 per cent of Greek-owned agricultural land, 60 per cent of industry, 80 per cent of the tourist business, and 100 per cent of the mining Industry, the South has made a truly remarkable economic comehack. But deep down more and more Greek Cypriots now are afraid that the effective partition of the island might become permanent, in fact, if not necessarily endorsed constitutionally, Despite this growing aware-

ness of reality; the psychological scars, the bitterness and the itself is under pressure from the U.S. and other NATO mem-

The Turkish Cypriots in their turn talk hitterly of their years of ghetto-like existence before Greek Cypriots become tearful

and the 1,800 unaccounted for.

The case of the missing persons is a particularly sore point. The Greek Cypriots claim that a least 40 of those missing have been seen or photographed is continued political lobbylng, alive after the 1974 invasion, economic aid and repeated

Many are under a number of misconceptions. On the one hand some believe that Turkey eventually intends to over-run Mediterranean, has become one the rest of the island (which, according to all indications, Turkey does not inlend to do). On the other there is the argument that because Turkey's the right time for Greece to go Turkey to withdraw its troops.

The truth is that Greece clearly has no intention of fighting Turkey for Cyprus-or even for the Acgaan unless Turkay makes a move against is not prepared to be drawn intu direct discussions with Turkey over Cyprus. During the Greek-Turkish summit in Montreux in March, 1978, Mr. Constantine Karamanlis, the Greek Prime Minister, refused to include Cyprus in his talks with his Turkish counterpart, Mr. Bulent Ecevit. It is one of the achievements of the Carter Administration in Washington, helped by the passage of time, that the Cyprus dispute, from heing an international flashpoint, has become almost parochial.

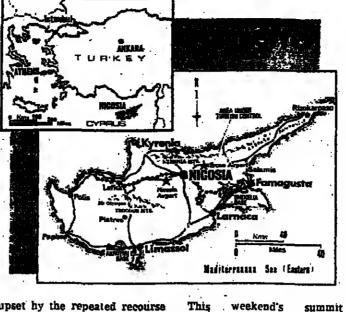
Graak leaders-most of wbom incidentally have never visited Cyprus—Insist that any solution agreed to by the Greek Cypriots ia acceptable to Greece, Greece in the alliance from which it withdrew in August 1974 in anger at the Turkish invosion of Cyprus. Athens is believed when they talk about the 4,000- to have heen pressing the 5,000 dead, the 191,000 refugeas, Cypriot President, Mr. Spyros Kyprianou, to go back to the negotiating table in search of a reasonable and realistic so'ution. The most the Greek Cypriots can expect from Greece

statements of colldarity. committee as provided for President Kyprianou is no under a UN resolution adopted Makarios and his bold over the



Greek-Cypriots lacks at least the Archbishop's retigious appeal. In effect, if not always visibly, President Kyprianou's Government is maintained in office through the support of Akel. the large (about 35 per cent of the votes in the last general clection 1, Moscow-oriented Com-munist party. This support partly explains why President Kyprianou last November did not readily accept proposala by the Carter Administration for a possible framework for resuming discussions. Later he accepted a formula devisedwith more Greck Gypriot than Turkish Cypriut help-by Dr. Kurt Waldheim, the UN Secre-Herry General, But the Turkish Cypriots made additional con-

The Turkish side suspects Mr. Kyprianou's real motives President Makarios reportedly and helieves that he may offered to concede, Allowing simply have wished to appear to for some 30,000 settlers from he acting reasonably by agreeing to the meeting with Mr. Rauf Denktash, the Turkish Cypriol leader, while continuing the Turkisb "harass" Cynricits.
The Turkish Cypriots are



upset hy the repeated recourse of the Greek Cypriots to tha Security Council and Third World forums for demanding an end to mainland Turkey's military occupation of a large support for Mr. Kyprianou's inaistence that any solution to the Cyprus problem must be in the context of a unitary state. Mr. Denktash Insists on a bizonal, federal solution with, in essence, each community running its own affairs, and with limited powers only vested in the central Government.

He is prepared to make concessions on what area of Cyprua the Turkish minority should control, hut his figure is closer to the 40 per cent now beld by Turkish troops than the 20 per cent which, hafore his death, mainland Turkey, the island's population is population is now divided roughly four to one between the two communities. Land ownership is another criterion, as is the important question

President Kyprianou and Mr. Denktash bas seen few alterations in these positions. Itwas held in part as a result of pressure from Athens, in part ecause neither community wished to appear responsible for continuation of the dead-lock, and in part because of Dr. Waldheim's desire for results: in June be is due to present bis regular report io connection with renewal of the mandate of the UN peace-keeping force. It was the first direct debate

between the leaders of the two since communities Kyprianou took over the manile of Makarios in Auguat, 1977. 1t was successful in that the two sides bave now agreed to resume intercommunal talks — the meeting on June 15 to be in Nicosla rather than abroad as they had been in the past. It ia also important for two

First, there is formal acceptance of the four guidelines agreed in February, 1977,

problems, especially Rhodesia.

Tokyo

Price rise of 2p on a standard

Carrington,

GENERAL

including that the future state ahould be a hi-communal Their interpretation had become the subject of contention, but now they have been reaffirmed and linked to the relevant UN resolution. Problems could still arise over the conflict between the UN resolution calling for the return home of all refngees and the Makarios-Danktash guidelines qualifying this to allow for the difficulties which in practice could arise for the Turkish com-

Second tha two sides have given to the resettlement under UN auspices of Varosha, the old Greek-Cypriot area and the tha tourist centre of Famagusia. resettlement is to occur without waiting for agreement on other aspects of the Cyprus problem. This oew flexibility by the Turkish-Cypriots could laad to a major improvement in the situation of some 30,000-50,000 Greek-Cyprlot refugees.

But achieving this will require more willingness to compromisa than bas been demonstrated on any issue in the past five years. The agreement to talk, though not guaranteeing progress, is at least a step in the right direc-

Unquestionably, the economy oo the Greak side has been largely re-established and, by several criteria, has improved on the situation of 1973, the last normal year.

Tourism, in particular, bas been picking up. The Greek Cypriots earned \$93m from the 362,000 tourists who visited their side last year, an Increase of 43 per cent over 1977. The Cyprus Tourist Organisation ICTO) expects 465,000 tourists this year and to meet growing demand is huilding hotels in imassol, Larnaca, Paphos and Ayia Napa with a total capacity of 3,554 beds. These should be completed within three years. hetween Mr. Denktash and The CTO, which now has hotel Makarios. These guidelines capacity of 7,000 beds, says it establish a number of principles is having staffing problems.

Many problems remain, not cult. least that of tha refugees. sophy there is to stay close to Unlike the Palestinians who were left in tents for years, the Turkish military. . 191,000 refugees—two Greek Cypriots of every five—have north, such as diplomats, talk mainly been resettled with the with appreciation of bow the help of the Special Service for the Care and Rehabilitation of

refugee camps, most of them in Larnaca, where over 11,000 houses built by the Government now agreed that priority will be In low-cost estates. Some 10,000 people bave been given loans and grants to build houses on their own land and about 45,000 are living in houses left behind

The Service estimates that

Displaced Persons.

by Turkish Cypriots.

about 40,000 Greek Cypriot refugees still live io extremely unsatisfactory and over-crowded conditions in such places aa garages, derelict houses and shacks. About 20,000 of the refugeea are eatimated to have teft the island in search of a living in Greece and in Arab countries with which hilateral lahour agreements have been The remainder are consigned. economicatly indepen-

The cash allowance paid to destitute refugees works out at of four, in addition to oecessary clothing and hasic houseahout 162,000 displaced persons receive full benefits. Following agreementa made with the UN High Commissioner Refugees, the International Red force in Cyprus, the Special Service atso sends supplies and cash grants to some 2,300 Greek-Cyprlots in chelaves in the occupied North, mostly in the Karpass area, Funds for this national contributions, mainly from Greece, the U.S. and the

Measuring progress on the Turkish side is much more diffi-

the Turkish Stale and 10 the

Visitors able to travel in the one-time tourist paradise of Kyrenia on the northern coast, with its 13,000 hotel hed Tha Service has erected 11 capacity, has been re-established. It maioly serves soft currency tourists from Turkey but also people have been housed in gradually increasing numbers of, timber huts. Another 48,000 for instance, Yugoslavs and West people have been moved to Germana. Efforts by the CTO Germana Efforts by the CTO to prevent the Turks from operating hotela owned by the Greek Cypriots (and valued at about \$300m) in the occupled areas (by urging international organisations and tour operators not to co-operate) have apparently had little result. However, problems dn arise for the Turks. No established international airline (excluding Turkish Airlinea and its affiliates) will fiv the renortedly impressive Ercan airport, aome 20 miles east of Nicosia. It was huilt after the war of 1974.

Famagusta, another tourist mecca of earlier years, ia also said to he resuming a part of its earlier role. Direct inspecof shepherding of inquisitive visitors is a normal practice of the Turkish army. By contrast about \$100 a month for a family the Greek side invites inspection of almost anything in sight.

Thus in public relations as in equipment. A total of many fields the communities 162,000 displaced persons remain divided. But they do have two points in common: neither is yet ready to forget the past, and neither leader, is in a position to make a major Gross and the UN peace-keeping compromise. This weckend'a meetings have not altered this underlying reality. they have mainly served as a reminder of the intractability of the problem—an intractability once bleakly summed up by relief work come from inter- President Makarios when he national contributions, mainly told a visitor that the Anglo-Saxons always make the mistake of helieving that problems such as Palestine and Cyprus do have a solution.

Letters to the Editor

Entrenching inflation

From the President. The Society of Pension Consultants.

pondence columns, there is a Pilch's letter (May 17) over-danger, that concentration on looks? the symptoms will cloud the issue of the disease itself.

The chairman of the National Association of Pension Funds (May 17), makes a constructive suggestion towards allaviating the symptoms. One which no doubt, will receive the serious consideration be seeks. Unfor-tunstely, "what we have we hold" is a tenet of human hebaviour and nohody is willingly going to give up any part of an inflation-proofed pension.

To carry on as we are is untenable in the long-term. The divisiveness brought within the wealth-creating section of our society, with its discipline of limited financial resources, must eventually become intolerable. for a civil servant who retired in the financial year ending commitment to the luxury of an March 31, 1979. Unlike many commitment to the luxury of an inflation-proofed pension—because it has no market value—civil servants were unable during the period of pay restraint to inarease their earnings the long-term. Some future Government would then have to face up to the traumatic consequences of that analysis.

tamed; and, in stating the ohvious I do so without apology. There is much to be gained by frequently reminding ourselves that it is inflation itself that must be effactively tackled.

When the Pensions (Increase) Acts of 1971 and 1972 were en-acted the rate of inflation was a modest one and by the end of 1973 resulted in an increase of: some 6 per cent which, by the end of 1975 had become over 25 per cent. There was, as I recall. no outraged opposition to the passage of the Acts. One informed publication took up tha principle in describing it "as a classic example of how to increase government expenditure in an uncontrolled manner." In stating the obvious, let us Croydon.

also continually remind our-selves that inflation is an inberently evil canker easily recognisable in the area of penaions and that conversely it is WORK an apparently painless way to extract higher taxes from an unsuspecting public. We now have a government pledged to reduced direct taxation and let us hope that it means real and not apparent reductions. If so, then there may be real hope of the suhterfuge being removed from the equation.

renktut.

en and

don &

rondents

The dehate as to whether or not those nublic servants benefiting from inflatino-protected pensions pay for them or not is an arid one based on the flimsiest of evidence. We are; in effect, debating a priceless subject. Accordingly, we should not allow ourselves to compartmentalise this fundamental problem as a pensions problem"; it is not. It is a national economic problem and the adution lies in policiea enabling containment of inflation to manageable levels. And not in policies launching the introduction of a state scheme, as happened in : Anril last year, as one heing fully pro-tected against inflation and thus entrenching inflation in the

D. C. Bandey. Ludaate House. Ludgate Circus, EC4.

Public sector pensions From Mr. A. F. Donovan.

Sir,-I wonder if I could raise one aspect of the index-linked Sir,-From your recent corres- public sector pensions which Mr.

The recent report of the pay research unit has apparently indicated that once more pay in the civil service has dropped well behind levels of pay to those in the private sector doing roughly similar work. Although settlements in the current round of negotiations may be of some henefit to anyone retiring fromthe civil service on March 3t, 1980, it is almost certain that the initial pension for a civil servant retiring in, say, lune of this year will be based on a salary level which, even if it does take into account the futl increased percentage due for 1979-80, will be only 6 per cent more than that paid for 1978-79.

The position is much worse spurious promotions and, because of their relativety low We must press, and continuers, initially there will be ally press, long before then, for the disease itself to be consector pensioners; it would take years of index linked lncreases to give them any apparent overall advantage and, of course, continued inflation will itself offset any financial gain. They will have suffered financially while they worked and will continue to suffer financially in retirement—the chances are that many will die hefore their penslons reach the level which evenin money terms gives them any

apparent henefit. As a civil servant I would pre-fer the proper rate for the job while working and a pension based on those provided by firms in the private sector—t would be much better off! A. F. Donovan, 31 Stanhope Road,

Women at

From Mr. L. Filleul. Sir,—In ber Lombard article (May 17) Mary Gamphell raises a number of interesting points including one or two assertions which need to be challenged.

1 am not against women going cheques. out to work, except where it involves neglecting children, but I regard the Im or so registered unemployed as a greater element of wasted manpower collection, and very often the than the group of older wives who choose to look after their homes and their husbands (and in some cases their grandchil- Eurocheques for £5 (or the dren as well).

must be related approximately tiate such cheques even though to capacity to pay. It is quite the current practice is to return obvious that a man who sup- them marked "uneconomical to ports his wife, for whatever collect," but if in the event the reason, has less taxable capacity charges exceed the face value than a man with the same of the cheque, then we have to income who is either single or pay the difference to the hank, maried to a woman with a sub. This is quite ridiculous, and stantial income of her own. In means that we cannot accept 1972-73 the theo Conservative Eurocheques for small amounts, Government allowed the mar whether in foreign currency or ried allowance lo fall lo only sterling, because it is difficult really suggest that time could 30 per cent above the single to say at whal face value the he saved hy noting £1.10 or allowance, but this trend was Eurocheque becomes econo £10.70 instead of £1.11 or reversed by the Lahour Government and by last year the dif-under the circumstances we M. B. David. ferential was up to 55 per cent. are having to ask all customers 41, Fawley Road, N17.

allowance should be given order, eltber to a husband for supfor supporting herself, but not allowance should be higher to provide some extra.Incentive for her to earn. Where, however, her income is less than ber tax

free allowance, her busband should be allowed a proportion of the difference as his allowance for helping to support her. L. T. Le.S. Filleul, 9, Southwoods,

Regional fund and CAP.

From Mr. M. Gayford
Sir,—Agriculture is the higgest industry in the UK. It is general policy that agriculture should receive support. Why should support not, therefore, continue to ba given to other industries in some relevant way? in the early days of the EEG

small farmers were inefficient hut industry was prosperous. Now under balf the previous number work on the land, farma are higger and it is industry that requires investment. The 75 per cent of tha EEC

budget which goes to support the common agricultural policy benefits only 2 per cent of people in the UK who work on the land. The regional fund which contributes to industry is thua ridiculously under financed hy comparison. The new Government shoutd

think twice before dismantling the various employment protection measures. It should endeavour to shift their cost to the Community regional fund. Agricultural support costs should be reduced by introducing quotes to cover Community demand and food aid so that the regional fund might Gichaet Gayford.

Perininkle. West Kirby, Wirral.

A problem of Eurocheques From the Managing Director,

Stuart Turner Sir,-We, in common, presumahly, with many other companles in this country, are hav-ing difficulty collecting Euro-cheques. Atl Eurocheques, whether written in sterling, or in the currency of the country

of origin, have to he sent back to the originating country for cotlection charges exceed the face value of the cheque. This is particularly so with equivalent in foreign currency)

If income tax is to be fair it or less. Tha banks will nego-

The real anomaly is that the from EEC countries to remit married allowance is given to a either by a draft in sterling husband whether he supports drawn on a bank in this country. his wife or not, Logically an or by international money

This seems to be one more porting his wife, or to a wife Instance where hanks, while professing to help exporters, take every opportunity of dis couraging manufacturers their excessiva charges for minor services.

Henley-on-Thames, Oxon.

Medical

From Mr. W. King Sir-Many companies find it pays handsome dividends to he in group medical schemes to cover their employees and families. In certain cases there is still a very serious omission in the acope of the care afforded. With the promised in-tention of increased private medical care being available I would suggest that the Confederation of British Industry, British Institute of Management and the Association of Scientific Technological and Managerial Staffa hring into their negotiations with employers proposals for safe-guarding tha health of employeea today and tomorrow.

Staff at many levels put excessive strains on their health during their hertic working years. Paid-for private medical care la there to cosset them during their working years, and them hack to work quickly, hut in many casea when they need it most during their retirement it is no longer there. Surely as we now enter a new and enlightened era of retationship hetween ataff and management employers should prove they do care both today and Wilfred King.

17 Horgate Close, Tunbridge Wells, Kent.

Rounding From Mr. J. Shaw.

Sir,—Mr. E. Greenwood (May 15) puts in a plea for the round-ing up or down of dividends to the nearest 10p to save us all wasting our time. A near relative of mine holds nearly 3,000 ordinary shares in one of the larger property groups. The rounding of the presently static dividend on this holding to the nearest 10p would mean the 10 par cent limit on dividend increases would be exceeded.

41 Ivy Lanc, Macclesfield, Cheshire. No time

wasted

Sir,-Mr. Greenwood (May 15) says it is very boring to find that almost all amounts of dividends involve odd pence but surely he and anyone else unfortunate enough to have to list dividends would consider it more boring if every dividend ended in zero. And doas be

Today's Events UK; Mr. Cyrus Vance, U.S. Secretary of State, continues talks in UK on general world and Allled Bakeries.

Meeting of Trades Union Congress finance and general Japanese Foreign Minister purposes committee. Sunao Sonoda in London for two-day discussions on next month's Tokyo Western

Mr. Michael Shanks, National Consumer Councit chairman, addresses Goal Industry Society Juncbeon, Hyde Park Hotel, Economic Summit—he meets Mrs. Margaret Thatcher, Prime Minister, Sir Geoffrey Howe. Chancellor of the Exchequer, and Lord Carrington, Foreign Overseas: EEC Economic and

Inance Ministers meet, Brussels. Meeting on proposed EEC Research Council. International Energy Agency

Ministerial two-day meeting President Nicolae Ceausesu of

Romania hegins five-day official visit to Spain—the first East European Head of State to tour M. Valery Giscard d'Estaing, President of France, attends

tour of Scandinavia.

ranco-African two-day summit ta)ks. Rwanda. Ch na's Deputy Premier Geng Biao begins seven-day visit to Norway, part of a month long

OFFICIAL STATISTICS New construction (March). Turnover of motor trades (first quarter).

PARLIAMENTARY BUSINESS House of Commons: Dehate continues on Queen's Speech iodustrial policy and employ-ment. Sir Keith Joseph, Sceretary for Industry, and Mr. James Prior, Secretary Employment, for the Govern-ment, Mr. Eric Variev and Mr. Albert Booth for the Opposition. GOMPANY MEETINGS

See Week's Financial Diary on

APRIL, 1979

These securiues having been sold, this announcement appears as a matter of record only.

NEW ISSUE



Norges Kommunalbank

Kuwaiti Dinars 12,000,000

 $7\frac{1}{2}$ per cent. Guaranteed Bonds due 1989

Unconditionally and irrevocably guaranteed by the

Kingdom of Norway

Issue price 991 per cent.

Kuwait Investment Company (S.A.K.)

Amsterdam-Rotterdam Bank N.V. Banque Nationale de Paris Citicorp International Group Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.) Libyan Arab Foreign Bank Tripoli, Libva National Bank of Abu Dhabi The National Commercial Bank (Saudi Arabia) Westdeutsche Landesbank Girozentrale Bergen Bank Christiama Bank og Kreditkasse Den norske Creditbank

Algemene Bank Nederland N.V. (Bahrain Branch) American Express Bank Andresens Bank A.S Tha Arah and Morgan Grenfall Finance Company Limited

B.A.1.1. (Middle East) Inc. Bank of America International Limited Bank of Bahrain and Kuwait B.S.C. - Kuwait Branch Bankers Trust International Limited

Bayerische Vereinsbank International Société Anonyme Blyth Eastman Dillon & Co. International Limited Den Danske Bank af 1871 Aktieselskab

Genossenschaftliche Zentralbank AG

Banque de Paris et des Pays-Bas

Vienna Goldman Sachs International Corp. The Gulf Bank K.S.C. Hill Samuel & Co. Limited The Industrial Bank of Kuwait K.S.C.

International Financial Advisers K.S.C. Kansallis-Osake-Pankki Kuwait Financial Centre S.A.K. Kuwait International Finance Company S.A.K. 'KIFCO' Kuwait International Investment Co. s.a.k. Kleinwort Benson (Middle East) E.C. London & Continental Bankers Limited Manufacturers Hanover Limited The National Bank of Kuwait S.A.K. Privatbanken Aktieselskab Rivad Bank Ltd. Salomon Brothers International Scandinavian Bank Limited J. Henry Schroder & Co. S.A.L. Skandinaviska Enskilda Banken Skonbank Smith Barney, Harris Upham & Co. Incorporated Société Générale Bahrain Branch Sparbankernas Bank Svanska Handelsbanken UBAN-Arah Japanese Finance Limited Union Bank of Finland Ltd. Union Bank of Norway Limited

Spillers planning £20m expenditure this year

and flour group, says that following the disposal of the bread making activities a year zealand

the light of changes in Governmeet policy thet will inevitably follow the General Election. Ye the year bas started satisfactorily and he is confident of continued

progress.

The group is planning to spend more than £20m this year on improving and expanding the existing husinesses. Substantial additional marketing funds bave also been aliotted to the grocery products group to strengthen its leading proprietary brands. During 1978-79 the grocery

products side increased profits for the fifth year running despite intensified competition. And interest and tax, shows: buman this was accompanied by a foods £11.15m; non-human foods healthy improvement in the £7.21m; sundry operations £0.79m pite intensified competition. And

although the group withdrew from bread making in April, 1978.
Exports amounted to £11.4m compared with £15.9m. The difference is attributable mainly to loss of export trade following the sale of some of the group's overseas inveatments; the closure of the Wellinghorough ahattoir which supplied Conti-nenlal markets; and third nenial markets:

Bowthome-Hellermann Ltd

Hellermann Electric Oivision

Hellemann Insuloid Oivision

Hellermann Oeutsch Ltd

Power Development Ltd Redpoint Group

subsidieries and associates in

and the United States of America.

fam able to

we achieved a

the level of sales

Providing the world

not take a serious

then I am optimistic

again be able to

report increases

For a copy of the annual report and accounts for the year ended

31 December 1978, please write to

the Company Secretary, Bowthorpe

Holdings Ltd, Crawley, West Sussex

RAY PARSONS, Chairman

and profit . . .

economy does

adverse turn.

that I shall

in 1979

RH10 2RZ.

report that in 1978

new Group record in

Rowthome FMP Ltd

Bowthorpe-Hellermann Distributors Oivision

Hallermann Electronic Components Division

Australia, Brazil, Franca, Germany, Japan, New Zealand, South Africa, Switzerland

BOARD MEETINGS

TODAY bread making activities a year ago the business is now in a bealthy state.

However, be finds it impossible to make any useful forecast for the current year, particulerly in the light of charges in Covernment Trust, foreign and Supply. Butwich Investigation of the particular in the current year, particularly in the light of charges in Covernment Trust, further matters.

	LOIDNE TALES		
-	Interime:—		
t	Brooke Tool	Mey	28
	Great Nonhein Inv. Tidel	Jun.	٦a
	Mailey	May	30
ï	Stakis (Rec.]	May	22
i	Finals:—	•	
-	Alunning Gloup	May	30
	Culter Guard Bridge	Jun.	7
ł	East Midland Allied Press	May	3i
3	Evans of Leeds	han	×
	Evans of Lagos	May	22
e	Keyser Ulimann	May	~
ı	Lindustries	Jun.	41
9	London Prudential Inv. Trust	May	쑮
	Mershell (Thomas] (Loxley)	MJY	끘
7	Parrish (J. T.)	Jun.	19
S	Pilkington	Jun.	15
•	Skarchiev	Jun.	S
	Spear (J. W.)	May	23
7			_

An analysis of profit, before return on capital employed.
Group pre-tax profits in the 53
weeks ended Fabruary 3, 1979,
moved up from £8.49m to
f14.73m. External sales at
f129m were virtually unchanged
lithough the group withdraw

ciation £5.07m, cost of sales adjustment £4.38m, less gearing adjustment £3.28m,
The group gearing at
February 3 was 38.6 per cent. But

for the effect of the property revaluation (which showed a surplus of £22m over book value) it would have been 44.9 per There was a total net country exports of intervention outflow of funds of £2.82m (£0.53m inflow)

Bowthorpe Holdings Limited

Pre-tax profits

£6.52m

Sales

£43 · 99m

Exports

£6.91m

Proposed dividends

1.80p

Earnings per share

8·8p

(1977 8-5p)

serving industry throughout the world.

ture at the year-end amounted to £6.23m (£6.7m) and there was a further £2.54m (£4.96m) aulhorised but uncontracted, Meeting, 9 Little Trinity Lane,

EC, June 14 at noon. Sce Lex

Optimism at Usher

Trading conditions are improving for Usher-Walker, printing inka and rollers maker, and prospects for the rest of 1979 appear more favourable, says Mr. . C. Bigga, the chairman.

The transport strike, result-

ing io reduced sizes for oews-papers, and lower levels of activity for many customers, had meant a difficult start to the This followed 12 months industrial disruption both in the newspaper industry and within the company itself which there against a marginal kept sales growth to a marginal £0.14m for them to reach £5.54m. Profit before tax was down from a record £496,125 to £214,459 but in light of the recent improvement the net

Liquidity at year-end was down £372.575 (up £131.198), and there was a bank overdraft this time of £10.803.

dividend is stepped up to 3.6146p Meeting, Connaught Rooms, June 14 at ocon.

Hammerson cuts back new developments

bureaucratic intervention has lopment programme both et home or abroad by Hammerson Pro-perty and Investment Trust, says Mr. Sydney Mason, the chairman. Meanwhile the company is investigating schemes which can proceed as soon as circumstances

lo this country the only work undertaken last year was the continued refurbishment of the company's Holborn estate.

In the U.S. the economy did not grow as fast as expected and the situation is utilikely to improve in the immediate future. It remains difficult for the direc-tors to justify further involve-ment there where low returns do not match the likely risks, he

However, a combination of lease renegotiations and releasing to new tenants at more favourable terms has produced a significant rise in rental income in America.

Europe has shown some improvement and some 90 per cent of the group's cortfolio has leased or committed. There has been a general increase in demand for good quality and well located offices which the company foresees as leading to progressive growth in rental income and e reduction in vacant

Conditions continue to stabilise in Australia and there is a steady absorption of office spaces. And increases in rent have already been obtained in reviews.

Overall the company is hene. which took place in 1979. The most important of these was Woolgate House where a new valitation is to be made at the end of 1979.

At Brent Cross Shopping Centre few units have chaneed hands since it occoed three years ago but the premium obtained most recently was comparable to that seen in the West End of London. This is very encouraging in relation to the

THE ECONOMIC climate and future rent roll of the shopping (2.99p) per 25p share, and the centre, the chairman adds. Rental income in 1978 reached £25.94m (£24.67m) and pre-tax profit advanced to £6.16m

(£4.98m). As reported April 28 the net dividend is raised to 6.09Tp (5.46p). At year end short term horrowings totalled £48.15m (£47.99m). Meeting, 100, Perk Lane, W, on

June 18 at noon. comment

Up around 37 per cent so far this year, to 860p the price of Hammerson's "A" shares has kept np fully with the hooming property sector index, although the reasons for such a strong advance cannot be found in the aonual report. Thus the company continues its policy of revaluing only on a very conservative rolling basis, and this has led to a rise of only 7 per cent in the total valuation of the property portfolio over the past year. This gives a net worth of 806p a share. But next year ar least, the 10-year-old valuation of Woolgate House at £25m will be brought up to date, and Breot Cross will be valued in 1981. These changes will clearly transform the figures. Meanwhile UK rental income rose 13 per ceot in 1978, helped by a hunching of rent reviews, hit currency trends have depressed overseas rental growth in sterling terms, although the general overseas pattern appears

1928 Trust earnings and nayment up

For the year ended March 31, drafts rose from £176,000 to 1979 Nineteen Twenty-Eight Expenditure contracted for its reveoue from £1.776,263 to £1.951.967, subject to tax of and there was a further amount of £4.11m (£0.64m) and there was a further was a further amount of £4.11m (£0.64m) and there was a further was a furth £717,269 (£687,504). Earnings are shown at 3.39p

divideod is raised from an adjusted 2.92p to 3.33p net with a final of 2.08p. At the year-end net asset value was 100.6p (85.5p).

News Intl. expansion

move

Referriog to News Inter-national's plans to build a new prioting complex near the Tower of London Mr. K. R. Murdoch, chairman, says that this will provide room for expansion and enable improvements to be made in production methods and working conditions.

in 1978 profits of the main subsidiary, which publishes the Sun and the News of the World showed an increase, despite 30m lost copies due to industrial action, and increase efforts from compeniors.

Group pre-tax profits to 1978 expanded from £18.15m to £24.93m. on a turnover £177.85m, against £156.64m. turnover of

The dispute with the major contract is still nnresolved and as this affects 70 per cent of the volume a turorouod cannot he expected until a solution is

A one-for-one scrip issue is proposed. The directors say that the reason for this is that the nominal amount of issued capital is now disproportionately small wheo compared with reserves.

There was an increase in net ouid funds of £9.06m liouid funds of £9.06m (£8.33m)—casb was up from £4.44m to £12.9m while over-drafts rose from £176,000 to

and there was a further amount of £0.37m (£0.44m) authorised but uncontracted.

Shortage ahead in copper

BY KENNETH MARSTON, MINING EDITOR

COPPER COULD be in short and high prices. Silver is supply during the period 1980 reckoned to be still in an uptrend which takes larged at the control of th quarterly bulletin which takes level off in the £500.5525 range the view that the world is enter-

in the autumn. They see a gradual improve-They see a gradual improve—oxide prices remaining in the ment in the price of gold during the summer and reckon that the longer term uptrend remains intect. For platinum they feel that providing Russian sales of platinum remain at their present platinum remain at their present the same of the remain at their present the same of the remain at their present the same of the remain at their present the remains at their present the remains at their present the remains at their present the region for the reckoned to continue to average around from the remains in the remains in the remains in the remains in the remains at the remains in the remains at the remains in the remains at the remains a low level, the metal is likely to American Corporation. Impala see another year of tight supply Platinum, Asarco and Newmont.

ing a period of rising metal rise to £550-£600 per tonne. prices.
Copper production problems to rise above ebout £450 per are expected to continue in tonise this year; but nickel prices Zambia, Zaire and Peru with the result that the brokers anticipate result that the brokers anticipate and per lb by the end of this year.

For uranlum, the brokers anticipate an adequate supply in the medium term with uranium the medium term with uranium oxide prices remaining in the

B & Q (Retail) on offer

The prospectus is published extension at Hildenborough, today in connection with the giving additional selling space of offer-for-sale of B and Q (Retail), about 29,100 sq ft. the Southampton-based home comment

The offer is helng arranged by sales jump of at least 40 per cent Kleinwort, Benson. Brokors are to £20m and a profits figure of

In the prospectus the directors forecast pre-tax profits of not less than £1.9m (£0.96m) and a net-dividend total of 1.65p for the year to January 26, 1980.

On the basis of first quarter trading; sales in the current year. will top £20m, say the directors.
Application lists open and close on Thursday. The basis of allotimeot will he announced the following day while dealings

will start on May 36.
B and Q sells through 26 D-I-Y supercentres with an average size of 16,000 sq ft and adjacent parking facilities for roughly 50 cars. It sells mainly branded products for the bome improveneot market in an out-of-town

supermarket style operation. Since January 27, 1979, one

A total of 4.895,250 shares—25 per cent of the capital—is being offered at 60p, per share. Proceeds will amount to £2.94m.

The offer at 60p per share at 60p per share proceeds with the directors forecasting a at least £1.9m in the current ye

-an increase of almost 100 per cent. All this has been echieved on the back of accelerating demand for D-1-Y products and an aggressive programme of organic expansion in rec years. Increasing labour co suggests that demand for D-I-Y products will continue to rise but it is unlikely that the company will be able to maintain its physical expansion programme at anything like that achieved last year. In the long term the company will probably find it easier to make an acquisition or two for paper. This does not detract from its obvious attractions. tions as a growth stock but with a fully-laxed prospective p/e of 12.9-slightly below others in the sector—the offer price of 60p does not give too much away, but enough to ensure a good

Pearl boost from TV advertising new Supercentre has been does not go opened at Cheltenham along enough enough with an outside garden centre response.

paign was one major factor in the Pearl Assurance Company lts oew annual on the ordinary branch by 48 per cent, claimed Mr. F. L. Garner, chairman, in his annual statement.

The company's new self-em-ployed annuity contract was the subject of ao extensive advertising campaign, and new annuity husiness in 1978 amounted to £40.4m, against £13.4m in 1977. Mr. Garner says the impetus given by the spriog campaign was maintained throughout the

Mr. Garner also reports a unit-linked contracts following the expansion of a specialised sales force. New annual pre-niums rose from £255,000 to £1.3m, and single premiums from £1.2m to £5.5m. Linked contracts is the main subject of the Pearl's 1979 advertising effort, and Mr. Garner confidently pre-dicts a further substantial increase in new linked business, on the basis of the first quarter's results.

Renewable premium income on the ordinary branch advanced 15 per ceot to £55.9m and single premiums from £5.2m to £6.9m.

Total gross investment income was 16 was £13m bigber at £105m total from £936p to 5.51p.

per cent bigher at £49.3m. During the year £59m was Claims, expenses and tax pay-invested lo gilts, against £45m, the end of 1978, compared with £463m at the beginning,

Premium income on the industrial branch rose from £76m to £82.7m and investment income from £41.7m to £48.5m Claims, expenses and tax payments advanced 10 per cent to £91.4m, and the industrial branch fund reached £502m at the year end from £455m at the beginning. Total life funds have passed the £1bn mark. The expense ratio fell in the ordinary branch from 34.10 to 32.93, but rose in the industrial branch from 40.02 to

On the general insurance account, the underwriting loss was reduced from £3.2m to £2.7m. The motor account loss was cut to £50,000 from £1.4m, while the loss on the property eccount remained at £1.7m. Losses increased on the other accounts. Household husiness continues to be a problem but remedial ection reduced tho

ments were only 7 per cent and gross advances under bouse higher at £64.8m, compared with £60.3m, and the ordinary than £12.8m, with net lending of branch fund stood at £51.3m at £4.5m. Net equity investment purchase mortgages was more than £12.8m, with net lending of £4.5m. Net equity investment was lower at £23m, against £32m, while the property portfolio increased by £10.2m. The gross yield on the funds was 10.70 per cent, against 10.14 per cent on the ordinary branch, and 10.75 per cent, against 10.25 and 10.75 per cent, against 10.25 per cent on the industrial

Fashion and General increase

As forecast taxable profits of Fashion and General Investment improved in the year to March 31, 1979. The surplus is ahead from £141,553 to £154,942.

At midway when the pre-tax profit was £73,000, against £70,000 the directors said they were looking for a year-end

Pigment Colour Manufacturers

Extracts from the statement by the Chairman of Burrell & Co. Limited, Michael Ashworth, contained in the annual report for the year ended 31 December 1978.

Chairman states that the difficulties facing the company and the chemical industry as a whole are due primarily to excess capacity. Turnover for Burrell was £9.46 million, an increase of 2 per cent over 1977. The outcome for the year, before extraordinary items, was a loss of £55,226 (1977 profit £300,741).

The Board feels that it should recommend only a nominal dividend of 0 to per Ordinary share. Prices have been depressed to totally uneconomic levels whilst no-one has detectably gained from any increased volume of business.

The situation will only be resolved when a financially more enlightened and commercially more sensible attitude prevails. This also presupposes an element of confidence which has been conspicuous by its absence in the past year or two. One needs a crystal ball to say when this confidence will really return. Whereas at the moment there is evidence of a slight improvement, we have seen false dawns before and have learned to be extremely cautious.

AGM: Great Eastern Hotel, Liverpool Street, London, Wednesday, 14 June, 1979 at 11 am. The annual report may be obtained from The Secretary, Burnell & Co. Limited, Burrell House, 44 Broadway, London E15 1XN.-

nent is issued in compliance with the requirements of tha Council of The Stock Exchange.

Bellway Limited

Incorporated in Great Sritain (No. 1372603) under the Companies Acts 1948 to 1976 SHARE CAPITAL

Authorised £4,000,000

in Ordinary shares of 25p each

fully paid £3,240,387

The Council of The Stock Exchange has admitted the whole of the issued share cepital to the Official List.

Particulars of the Compeny are available in the statistical services of Extel Statistical Services Limited and copies of such particulars may be obtained during usual business hours on any weekday (Saturdays and bank holidays excepted) for the next fourteen deys from:-

SHEPPARDS and CHASE, Weetwood Chambers,

93e Albion Street, Leeds LSI 5QD.

Clements House, 14-18 Greshem Street, London EC2V 7AU.

P.O. Box 177, 41 Broad Street, St. Helier, Jersey,

21st May, 1979.

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange, It does not constitute an invitation to any person to purchase any shares,

North British Properties Limited

Incorporated in Great Sittain (No. 1363219) under the Companies Acts 1948 to 1976

SHARE CAPITAL

Authorised £4,000,000

in Ordinery shares of 25p each

fully paid £3,240,387

The Council of The Stock Exchange has admitted the whole of the issued share capital to the Official List.

Particulars of the Compeny are available in the statistical services of Extel Statistical Services Limited and copies of such particulars may be obtained during usuel business hours on any weekday (Saturdays and bank holidays excepted) for the next fourteen days from:-

SHEPPARDS and CHASE,

Weetwood Chambers, 93a Albion Street, Leeds LSI 5QD.

Clements House, 14-18 Gresham Street, London EC2V 7AU.

41 Broad Street, St. Helier, Jersey.

P.O. Box 177,

21st May, 1979.

U.S. \$50,000,000 Midland International Financial Services B.V.

(Incorporated with limited liability in the Netherlands) Guaranteed Floating Rate Notes 1987 Guaranteed on a subordinala basis as to payment of principal



Widland Bank Limited

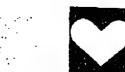
For the six months from 21st May, 1979 to 21st November, 1979 the notes will carry an interest rate of 112% per annum. On 21at November, 1979 interest of U.S. \$58-14 will be due par U.S. \$1,000 note for coupon No. S. Principal paying agant European-American Bank & Trust Company 10 Hanover Square, Naw York, N.Y. 10005 U.S.A.

Agent Sank: Morgen Gearanty Trust Company of New York

U.S. \$20,000,000

Floating Rate U.S. Dollar Negotiable Certificates of Deposit, due 27th November 1981

THE DAI-ICHI KANGYO BANK, LIMITED LONDON



In accordance with the provisions of the Certificates, notice is hereby given that for the six months interest period from 22nd May, 1979 to 23rd November, 1979 the Certificates will carry an interest rate of 11-25 per annum. The relevant interest payment date will be 23rd November, 1979

BARING BROTHERS & CO., Limited

ennia.™

located at The Hague, The Netherlands

The Annual General Meeting of Shereholders will be held in the Promenade Hotel, 1 Van Stolkweg, The Hague, on Tuesday, the 12th June, 1979, at 10.30 a.m.

From May 21, 1979 the agenda of the maeting and the annual report for 1978 can, free of charge, be obtained from ENNIA N.V., Company's Secretary, P.O. Box 202, 2501 CE The Hegue, and from ENNIA Insurance Co. (U.K.) Ltd., 136 Fenchurch Street, EC3M 6BL London.

Besides discussion and approval of the annual accounts 1978, the husiness of the meeting will include, among other things, information on the results first three months 1979, notification of retirement of a member of the Menegement Board, eppointment end reappointment of Supervisory Directors, vacances in the Supervisory Board in 1980 and

remuneration of Supervisory Directors. Holders of registered shares can attend the meeting without advising the Company beforehand. On presentation of a deposit receipt of their certificates et the office of Algemena Bank Nedorlend N.V. In London, holders of BDRs are also entitled to attend the meeting and lake part in the discussions, but they

The certificates must be deposited not leter than June 5. 1979. The Menagement Board
1 Churchiliplein, The Hague

ere not ellowed to vote.

PENDING DIVIDENDS RECENT ISSUES

Hall explains \$13m settlement

FRANK B. HALL, one of the involved in the dispute "under \$10.4m lergest insurance brokers in the which the company has received Hall had placed aviation UK insurance broker Leslie and U.S., hes revealed details of end expects to receive substan-insurance business with Unigard Godwin. Hall explained its pany in its letest accounts.

Frank B. Hall has agreed to pay Unigard \$13m, plus interest at two-thirds of the prime rate. at two-thirds of the prime rate. Of which \$2.6m was pald in December and the balance is due "rateably over the four years 1979-82." The company's ohtigation is secured by a letter of credit of \$8m and the guarantee of a subsidiary in the secure of a subsidiary in the secure of the company's ohigation is secured by a letter of credit of \$8m and the guarantee of a subsidiary in the secure of a subsidiary in the secure of the company's ohigation is secured by a letter of credit of \$8m and the guarantee of a subsidiary in the secure of a subsidiary in the secure of the company's of the company's of the company's obtained that reinsurers a far bigher level than expected. Unigard found that reinsurers were rejuctant to settle. A subsidiary of Matthews tangled legal ection followed and an out-of-court settlement was reached in December last year. tee of a subsidiary in the amount of \$1.5m.

Hall has negotiated agree-

Levi Strauss

for Koracorp

The acquisition is subject to a definitive agreement approval of directors of each company and

an affirmative vote of Kora-

Certain of Koracorp's principe shareholders have indicated their intent to vote for the

Allis-Chalmers cautious

FRANCISCO - Levi

pays \$71m

Koracorp in a merger.

Strouss said

corp's shareholders.

merger agreement.

mment

t by the Cained

part for the year

5.50 8.43

. . . .

146- - 1945

these the company's portion of tion contracts. total settlement costs has been charged to 1978 income."

9 \$13m out-of-court settlement tial contributions towards this and acted as reinsurance undertaking to the committee which it has made to the settlement during the period brokers, arranging reinsurance of the Lloyd's of London ruling which it has made to the settlement during the period brokers, arranging reinsurance Unigerd Mutual Insurance Com- 1978-82. After giving effect to cover for Unigard on the avia-

But when claims came in at

Hell reported income before The net proportion of the settlement of the dispute, after Hall has received contributions from other parties, is entered in Commenting on one of the material effect on the consoli-

committee.

Hall agreed with the Lloyd's committee to retain no more than a 25 per ceot equity interest in the Lloyd's brokerage activities of Leslie and 'Godwin (Holdings).

In January, 1979, Hall dis-posed of 75 per cent of the Lloyd's brokerage activities— 10 Rothschild Investment Trust

this scale will not have a material effect on the consoliments and agreements in from other parties is entered in Commenting on one of the material effect on the consol principle with other parties the Hall 1978 accounts at largest acquisitions in the deted results of the company."

Xerox to hold profit margins

NEW YORK—Xerox Corporation has experienced "very revenues of \$968m in the 1978 copter market aggressively. encouraging results" so far in the second quarter and con-tinues to expect good full year Streuss and Koracorp Industries have signed a letter of Intent earnings, Mr. David T. Kearns, last year. for Levi Strauss to acquire the president told the annual meeting.

Koracorp sharebolders will The group expects to maintain receive \$18.68 per shere in cash the profit margin level of 18.1 in Levi Strauss common stock or a combination of the two. per cent attained last year. In tast year's second quarter, Xerox earned \$1.95 a share on The tolel value of the trans- Xerox earned \$1.95 a share on action is about \$71m and it is revenues of \$1.5hn. For the first

contemplated thet nearly 50 per quarter of this year, the com-cent of that will be in cash, Levi peny reported earnings of \$1.66 share on revenues of \$1.1hn,

Capital spending this year will

Mr. Kearns said orders for the Desktop, low cost 2600 model are coming in at about twice the expected rate. Last week Xerox introduced another Desk-top copier, the model 2300, printing system in 11 U.S. marwhich It said is expected to do as well as the model 2600.

Mr. Kearns reiterated Xerox's

One out of six orders for the model 2600 are coming from be about \$1.2bn, up from \$886m customers who have never nwned a copier before, and one-half of the 2600 orders are being pleced by customers who have

never bought or rented a Xerox

copier previously. kets and has begun teking orders in those markets as well as 20

Helaba to match 1978

"discuss" paying out a The Bank reported that dividend next year on 1979 DM 65m of last year's earnings earnings expected to match 1978 were put in free reserves, the profits of DM 68.2m (\$35.6m), same sum as in 1977. according to Heinz Sippel, the managing Board chairman.

Allis-Chalmers Corporation expects second-querier earnings to be about the same as the first querier's \$1:75, down from \$2.27 s year earlier. Mr. David C. Scott the chairman told the annual meeting, reports Renter from Appleton. He stributed the decline to changes in the product mix and production scheduling.

According to Heinz Spipel, the Despite what be said was a managing Board chairman.

"calm" perspective on the future of the Bank the Helabs despite operating earnings in the first quarter of 1979 that the first quarter of 1979 that the first quarter of 1979 that he first quarter of 1979 that the first quart Allis-Chalmers Corporation ex-

FRANKFURT — Hessische were slightly up from DM 67,8m Landesbenk Girozentrale in 1977, Helaba said in its (Helaba) may be able to annual report.

"discuss" paying out a The Bank reported that

Despite what be said was a " calm "

Consolidated earnings in 1978 estate and banking.

Canada approves investments

OTTAWA - The Canadian Government has approved 17 foreign investment projects including 10 new husinesses and seven takeovers of existing

Among the major projects approved were a proposal by Newturn Holdings, Montreal, controlled by Turner and Newall of Britain, to acquire control of Plastibeton, a Montreal-based manufacturer of polymer products, controlled by e British citizen and a

CURRENCIES, MONEY and GOLD

D-mark begins EMS climb

BY COLIN MILLHAM

During the past month the weakened slightly in European strength of the dollar, with the D-mark has gradually improved Currency Unit terms, while only its position in the European the D-mark has strengthened Monetary System. Since the significantly.

EMS began on March 13 there has been a strong tendency for currencies supported by high Dutch guilder and Belgian franc interest rates to be near the top were the weakest currencies,

The rise of the D-mark in recent weeks suggests that this recent weeks auggests that this trend will not continue in rates. The Belgian franc bas definitely, even though the continued to weaken, falling out-italian lira remains comfortably side its maximum divergence Italiao lira remains comfortally ahead of the pack. Since the middle of April the lira has

CURRENCY RATES

200 10 10 10 10 10 10 10 10 10 10 10 10 1	May 19	Bank rate %	Special Orawing Hights	European Corrency Unit
2000	Sterling	91137 8 4 14 14 18 19 19 19 19 19 19 19 19 19 19 19 19 19	1.4e361 17.9194 38.9993 5.85649 3.43829 2.65321 5.63355 1085.69	1.51314- 1.51366 18.5876 40.4806 7.11394 8.62333 2.75037 1124,38 287.670 8.68772 84.8839 5.77191

Until a month ago, the D-mark, DM1.5970 ebout a month ago, is sutch guilder and Belgian franc likely to prove of less concern were the weakest currencies, and were the only membere to have falleo against ECU central limit, while the Dutch guilder has improved very slightly.

The Belgian authorities increased Bank Rate at the heginning of this month to help the franc, but the currency has consistently stayed outside its permitted limit. In cross rate terms the situation has improved, bowever, hecause of the dectine of the Danish krons. This has helped to keep the Belgian franc within its intervention levels against any individual currency.

The Dantsh krone, French franc, and Irish punt have all lost ground in ECU terms, leaving the D-merk as the third strongest member of the EMS. The German currency's rise has been masked by the renewed THE DOLLAR SPOT AND FORWARD

One month
0.23-0.13c pm
0.75-0.50c pm
0.02c pm-par
0.70-0.60c pm
9-8c pm
1.00-0.50ors pm
0.90-0.80pf pm
33-48c dis
2c pm-8c dis
0.30-0.600m pm
0.30-0.10c pm
0.30-0.10c pm
0.30-0.10c pm
1.20-1.10c pm
1.20-1.10c pm

	May sa.	
	Bullion (fine o	
	82561g-2571a (C123.2-126.6)	(CI 24.7.125)
Opening	8058.26-253	88861-867 12124.4-184.7
Morning	5257.50	8857.5 5
Aftarnoon	3256.40	(£124.976) \$256.80
	(£188.165) Coins, domes	(£124.680)
Krugerrand.	82784-2804	1837934-28554
	871 1-753	(£136-139) 172-74
		\$804-824
Soveralons.	1C391-401)	(£391, 401a)

Gold Coins, interns
Krugerrand, 5234; 235;
12129-130)
New \$661-68;
Sovereigns (£38; 281; 281)
Old \$981, 884;
Sovereigns (£48-43)
\$20 Eagles ...\$441-445
\$10 Eagles ...\$590-355
8 Eagles\$162-164 In Brussels the National Bank will be watching this situation with interest, while any continua-tion of the trend could also

OTHER MARKETS

than the steady rise of the D-mark against other currencies in

prove of concern to several other European central hanks.

May 18	£	•		Note Rates
Argentine Peso	2550-2552	135e-1245	Austria	284-231
watralia Dollar	1.8515-1.856e	0.0040-0.9066	Belgium	64 4-65 4
Brazil Cruzeiro	50.14-51.14	24.e0.8e.00	Denmark	11.00-11.10
Inland Markka	8.17-8.12	2.3220-4.0010	France	2.00-9.15
reek Orachma.	75.818-77.865		Сагталу	
long Kong Dollar			italy	1,780-1,7e0
an Rial	147.45-153.50		Japan	440.450
walt Dinar (KO	0.666-0.675	0.2778-0.e779	No therlands	4.20-4.30
Loxembourg Frc.	68.05 ee.15	e0.72-30.81	Norway	10.84-10.74
lejaysia Poliar	4.5560-4.5ee0	8.8230-3.2240	Portugal	25-101
ew Zealand Oir.	1.2605-1.2685	0.9670-0.2600	Spain	134-137
audi Arab, Riyel	3.20-7.00	3.5810-5.5825	Switzerland	3.50-3.50
ingapore Dollar.	4.5180-4.6960	2.2040-9.8050	United States	2.0530-2.06
th. African Rand	1.78-1.75	0.8400-0.8450	Yugoslavia	42.44

THE POUND SPOT AND FORWARD

	% p.e.	Three	p.e.	May 18	Day's apread	Close	One month	% p.a.	Lyles .	%, p.a.
	1.06 3.81 0.01 3.72 3.31 1.66 5.31 -2.68 -0.54	0.77-0.67 p 2.10-1.90 p 0.11-0.08 p 1.63-1.53 p 18-16 pm 1.00-0.50 p 2.33-2.23 p 90-140 dis 18-28 dis 1.90-2.40dis	m 1.41 re 4.07 m 0.44 m 3.02 2.21 m 0.55 m 4.75 -2.26 -1.39 s -1.05	U.S. Cansda Nethind. Salgium Denraerk Ireland W. Oer. Portugsi Spain Italy	2.0450-2.0600 2.3650-2.3780 4.271-4.311-7 62.95-63.30 11.08-11.13 1.0365-1.0410 3.921-3.951-7 101.60-102.40 135.40-136.00 1.750-1.756	2.0475-2.0485 2.3630-2.3640 4.22-4.29 63.05-63.16 11.081-11.081, 1.0295-1.0405 2.93-3.94 101.76-102.08 135.40-135.50 1.752-1.763	0.23-0.13c pm 0.25-0.15c pm 2-1c pm 25-15c pm 34-14-ore pm 15-25p dis 24-14pf sm 89-110c dis 15c pm-35c dis 15d pm-31ra	1.05 1.02 4.20 3.80 2.34 -2.31 6.48 -5.42 -0.88 dig 0.51	0.77-0.67 pm 0.65-0.55 pm 5-4 pm 60-50 pm 61-41 pm 60-70 dls 61-53 pm 150-250 dls 10pm-80dls 4-2 pm	1.41 1.92 4.20 4.12 1.89 -2.50 6.23 -7.85 -1.03 0.58
	2.18 0.54 0.54 e.37 5.64 9.66	3.30-2.80 p 0.40-0.16 p 1.20-1.00 p 3.10-3.00 p 1.154-143 pr 4.00-3.90 p	m 2.33 m 0.25 m 1.00 e.58 m 4.38 m 9.09	Norway Franco Sweden Japan Austrie Bwitz.	10.68 ¹ 10.74 ¹ ; 6.07 ¹ 9.13 ¹ -2 9.96-9.08 445-452 28.93-29.10 5.55-3.58 ² ;	2.08\8.06\ ₄ 6.99\ ₄ -8.00\ ₈ 447\448\ ₇ 28.96-29.00 3.58-3.57	31-11-om pm 11-1-c pm 13-0-c pm 13-0-2-om 6.95-2-60y pm 20-10gra pm 51-21-c pm	0.99 dle 1.00 7.43 6.21 10.10	10%-8% pm 4-3 pm 5%-3% pm 7.98-7.55 pm 48-38 pm 9%-8% pm	3,65 1,54 2,11 6,82 5,94 10,52
en	CV.	Ferward or	emiums	Bei	gium rate la f	er cenvertible	Irenes. Financi	SI ITANG	85.60-65.70.	

EXCHANGE CROSS RATES

20475-2.0486 1.9650-1.9700 88.62-48.65 2.0925-2.0945 5.4146-5.6160 1.9182-1.9202 49.65-49.70 66.15-68.20 655.00-855.75 6.2300-5.2310 4.4390-4.410 4.3950-4.3965 14.142-14.15 1.7380-1.7390

May 18	PoundSterling	U.S. Dollar	Deutschem'k	Japan'se Yen	FrenchFranc	Swiss Franc	Dutch Guild'r	Italian Ura	Canada Oollar	Belgian Franc
Pound Starling U.S. Dollar	0.488	2.048	3 2es 1.991	448.0 218.8	9.068 4.487	e.e65 1.741	4.28e 8.092	1755. 855.7	2.354 1.164	55.10 ·
Deutschemark	0.254	0.520	1.	113.9	6.309	0.90e	1.089	445.4	0.501	15.04
Jepanese Yen 1,868	2.238	4.671	8.785	1000.	20.20	7.958	3.955	2912.	3.673	140.9
French Franc 16	1.100	2.254	4,350	493.0	10.	3.993	4.715	1259.	2.501	e9.44
Swigs Franc	0.201	0.574	1,104	165.7	9.549	1.	1.202	421.6	0.663	17.70
Dutch Guilder	0.253	0.470	0.910	104.6	8,121	0.852·	- 1.	409.0	0.359	14.73
Italian Lira 1,000	0.671	1.169	2.045	ee5.5	5.185	2.034	9.448	1000.	1.549	e3.01
Canadian Doller	0.493	0.8e7	1,665	189.5	3.84e	1.508	1.91e	741.5	5.746	93.70
Beiglen Franc 180	1.585	5.249	6.239	710.0	14.40	3.650	6.791	2777.		100.

LONDON MONEY RATES

Ĺ											
ļ	May 18 1379	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Caposita	Discount market deposit		Eligibia Bank Olik 4	Fine Trade CHL+
	Overnight		101g-181g:	: :=		_	18tg	11-12	-	-	-
	2 days notice.	l –		-117g-12	-	-	I -	l		i – I	_
	7 days or			_	1 - 1		J 1		-	- 1	-
	7 days notice		173-12	12 12 4	1 }	124		114-111		.: .	- -
	One month	12-11-	114-124	1178-1218	105a-125a	1214	124	113,	111 1 4-110	12-1-12-	1812
	One month		1179-12		12te-1178	184	1 -	114	1144	11+2	1234
	Two months		112.116	113a-111a	1178-1118	12ts	1234	1112	1144-1112	118-116	124
	Three months.	1 11 11 11 1	117-11	1119 1114		12	·			114	13 ra
	Six months	1-2276-2279-1			113-114e	1172	l	1 —	-	1	_ `
	Nina months	114-114	1159-1154	113a-115a		117g	!. – ∶	i	! 1		
	One year	118-116	11-8-11-1	4-2-1-0		8	1 _		1	\ _	
	TWO VARIS			115 11%	1 - 1	_	1				

Local authority and fissors, houses seven days' natice, others soven days' freed. "Long-term local authority tops or continuity three years 112-12 per cent; four years 112-12 per cent; five years 122-123 per cent, 68enk firsts to table are buying rayes for prime paper. Surjing rest to feet-month bank bills 113 per cent; four-month le bills 123 per cent. Local authority, and necessarians and three-month treasury 2nd 112-122 per cent; lour years 112-123 per cent; two years 122-123 per cent; woons margage interest opening the years 112-12 per cent; three-month treasury 2nd 112-113 per cent; two-month 112-113 per cent; three-month 112-113 per cent; three-month 112-113 per cent; two-month 112-113 per cent; and three-month 113-113 per cent; and three-month 113-113 per cent; and three-month 113-113 per cent.

Cent.

Cent.

Cont.

Co

INAMA. INC. TA	
NEW YORK	
Prime Rate	10 25
GERMANY	
Ovemight Rate Ovemight Rate One menth Throe reenths	5.6 5.6 6.4
FRANCE	

Cell [Unconditional] 5.125 Bills Oiscount (three-month) S.525

For the convenience of readers the dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements, except where the forthcoming Board meetings (indicated thus*) have been officially published.

14010		- CENT	
iod		"Ksyaer	
GrewaliesJune 12	int, 1 4	UllmsnnMay 23	Fint
buthnet.		*Land	
Latham June 22	Fins! 5.23	Securities May 30	F.ne
mitaga		"LindustriseJune 21	Febr
ShenkeJune 8	Final 2.32	*Lon. & O'sses	. ,,
ecc. Bril.		FreightersJune 15	Fina
FoodsJune 12	Finel 1.523	*MEPCMsy 31	Int.
socie1ed	1.,101	"Merley May 30	Int.
CounicinsJune 22	Fingl 4 2131	*McCorpudate June 3	lat.
on RubberMay 23		*Metal CoxJana 11	
C IntolMay 23	int. 4.0		Fini
	Int. 1.55	News IntlJuns 23	lnt.
ker Perkins June 22	Sec. int, 4.351	NercrosJune 23	Fina
es harringtenMay 30	Int. 1.8	*Northern FoodsJune 5	Int.
schomMay 24	Fine f 11.56754	Pegier-	IIIL
	LIUS 1- 17-2018.		E
nsfold		HattersleyJune 13	Fins
(S. & W.)June 15	int. 1.325	Pilkington	
ShippingJune 15	F:	BresJuna 15	Sec
SnippingJune 15	Figel S.008	PlesseyJune 20	Fina
otaMay 24 ockhouseMay 23	Sec. int.1.9183	DuffrynJene 20	E
	Int. 1.8	Dream of Harden	Fine
Charles tune 0	Fine4 6 284	Prep. of Hay's WharfMay 25	Int.
ShipleyJune 8	Finef 5.264	Racal	III L.
mett end	Y I 1 400	Electronics, June 22	Fine
allemshiraJune 21	Sec. int. 1.427	"Ressome Himn.	Link
nties PropMay 26	Finat 2.11054	PollerdMay 22	let.
arter	Final Zings	RediffusionJune 22	Fina
ConsdJune 9	Final 5.2764	"Zeed Int May 30	Fine
arideJune 14	Sec. int. 5.798	Scans lung 22	Fine
alite and	DUD. ILL 0.190	ScepaJune 23 *Scottish Nst.	rme
Chemical. June 1	Final 1.8435	Trust., May ZZ	fnt.
urtsuide May 24	Final S.OS1	Sheephrage	Init,
WEON	Filler 3.001	Eng June 22	Fina
mterostalJune 12	Final 1.982	*600 Group Juna 7	Fine
La RuaJuna e	Finat B.4	SkatchleyJune 5	Fina
tem		Tasco StaresJuns 21	
PreduceMay 24	Final 3.03	Tellemache	
ott (8.)June 21	Final 2,868	& CobboldMay 30	Fina
ligh		TunnelJune 22	Fine
hine ClaysJune tS	lot. 1.925	*119M May 31	Fina
IntlJune 73	Final 3.0365	UKO IntelJune B	Fins
end		Ward (T. W.) June 2	Int.
tiepolitanJune e	Int. 1.75	WadawoodJure 5	Fina
Partiend		*Whithresd May 25	Fine
EstatesJune 13	Final 3.357	"Wivrhmoto, and	-
inness (A.) June 15	Int. 2.318	Oudley 9wsMay 30	Int.
mrie Jung e	Final 15.01	Westland	
nean TatJune 7	Int 3.025	AircraftJune 14	Fire
tisons and		Woodhead	
CrosfieldJune 7	Final 17.53¶	(Jonas) June 13	
SamuelJune 12	Final 3.229.	· Board mestings intim	ated.
. 14mper Juno 15	Final 4.285	issue aince made. \$ 74.	
in son			mon
MattheyJune 13	Final S.97	4 Farecast.	

			DING RATES
A.B.N. Bank	12	95	Hambros Bank 12 %
Allied Irish Banks Ltd.	12	C.	Hill Samuel
Amro Bank	12	8	C. Hnare & Co
Americeo Express Bk.	12	95	Julian S. Hodge 13 %
A P Dank Lig	12	-	Honekong & Spanghal 12 45
Henry Anshacher	12	Q,	Industrial Bk. of Scot. 12 %
Associetes Cap. Corp.	13	6	Keyser Ulimann 12 %
Banco de Bithao	12	Q.	Knowsiev & Co. Lid. 1314
Bank of Credit & Crece.	12	95	Lloyds Bank 12 %
Bank of Cyprus	12	95	Lioyds Bank
Banque Beige Lid	12	Œ	Midland Benk 12 %
Banque du Rhone et de la Tamise S.A	_	~	Midland Benk 12 %
la Tamise S.A.	12	95	Morean Grenfett 12 %
Barciavs Bank	12	œ	National Westminster 12 C
Bremar Holdings Ltd.	13	95	Norwich General Trust 12 %
Brit Bank of Mid. East	12	95	P. S. Refson & Co 12 %
Brown Shipley	12	0	Rossminster 12 %
Canada Perm't Trust	12	0	Norwich General Trust 12 % P. S. Refson & Co 12 % Rossminster
Cayzer Ltn	12	45	Schiesinger Limited 12 %
CARLY HAININGS	19	œ	E. S. Schwah 13 %
Charterhouse Japhet	12	Q,	Security Trust Co. Ltd. 13 %
Choulerions	12	G C.	Shenley Trust 14 %
C. E. Coates	12	QZ.	Standard Chartered 12 W
Consolideted Credits	12	9	Trade Dev. Bank 12 %
Co-operative Bank	12	%	Trustee Savings Bank 12 %
Corinthian Secs.	.12	Q.	Twentieth Century Bk. 13 %
Credit Lyonnais	12	96	United Bank of Kuwait 12 %
The Cyprus Popular Rk.	12	OC.	Whiteaway Laidlaw 12494
Duncan Lawrie	12	9	Williams & Glyn's 12 % Yorkshire Bank 12 %
Eagil Trust	12	9	Yorkshire Bank 12 %

Eagli Trust 12 % Yorkshire Bank 12 % English Transcont 12 % Members of the Accepting Heuras Committee 7-day deposits 9½%, 1-menth deposits B½%, 2 deposits on sums of £10,000 and under 8½%, up to £25,000 10½% and ounder 8½%, up to £25,000 10½% and ounder 8½%. Up to £25,000 10½% and ounder 8½% of £10,000 and under 8½%, up to £25,000 10½%. Sind over £10,000 9½% 6 oemend deposits over £10,000 9½%.

	· ·			• •	EŲ	UILIE	.5			<u> </u>	
Price	Amount Paid Up	Part of		79 Low	! !	Stock	Otoeing	# + <u>o</u>	Div. P. O. Amount	Oovered Gross	2 d
1112 50 50	F.P	22.5	203 5712 53 4	424 56	Bank 9 Fulcru	r John) Iridge 10: m Inv. fnc Capital 2	ome 51	6 IZ	DU		
		F	XE	D I	NTE	REST	r ST	OCK	S		
Price 3	Ameunt Paid up	Latost Renuro Date	19 H zh	72 Low	ļ		Stock			Closing Price L	+4
993 1 1 5 100 3 0 P 7 2 14 1 0 0	F.P.	4:5 11:8 11:8	9934 e314 1061p 2114p 108p 81	991 ₂ 623 ₄ 103p 191 ₂ p 104p 701 ₂	Eng. A Orant Now're Lyles r MEPC Blouch	and ICountsoc. Ster James: 1/ I Wyndh'n 5.: 11% Cu 5!-% Conv Ests. 8% (Ue 10542	ling Fd, 034% Pre n 9% Cav m. Pre , Uns. Li Cav. 199	Part. R. f	ed. Pri led. Pri 2000	1044 18191 1046 78	-1
•			*	· RI	GHT	S" (FFE	RS		<u>, </u>	_
jacus Price p:	Am'unt Peld up	Late Renu Det	inc.	197 High			Sto	ck		Clesing Prices Pt	+ 4
185 20 20 20 20 12 5 54 44 44 45 175 08	F.P. F.P. N.I. F.P. N.I. N.I. N.I.	18:5 87:4 14:5	9:3 9:3 18:6 31:5	74 pm	92 3010 2pm 9 42 33 4pm 2719 42pm 570m	Scatson Srant Ch Crest Nic Oavie & B Hamptor Maddock Norfelk C Park Plac Pullman Singlo Ho Standard Tricentre Uns.	amicais ho son Matcalfe i Trust ap. Hote sa invs. R. d. J.: Idings Charter	'A'	k	248 105 59 9pm 11 42 35 4pm 881 ₂ 42pm	-1 -2 -8

FOUITIES

Renunciation date usually last day for dealing free of stamp duty. b Frgures based on prospectus estimate. O Acaumed dividend and yield. a Forscast on prospectus or other official actimates for 1979. Q Gross. T Figures assumed. on prospectus or official settmates for 1979. Q Gross. I rigares assumed f Corve slaws for conversion of electres not new ranking for dividends assumed f Corve slaws for conversion of electres and the ranking entry the contest of t

Public Works Loan Board rates

Over 5, np to 10 ... Over 10, np to 15... 111 111 111 111 Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment hy helf-yearly payments to include principal and interest). § With belf-yearly payments of interest only.

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD. 45 Cornhill, London, EC3V 3PB. Tel.: 01-623 6314,

. Index Limited 01-351 3466. Three month Copper 940.5-918. Lamont Road, London SW10 0HS.

Tax-free trading on commodity fatures.
 The commodity futures market for the smaller investor.

CORAL INDEX: Close 522-527



Landesbank

Where money is productive

Insurers reallocate cost of fleet claims

BY OUR INSURANCE CORRESPONDENT

IN THE last few weeks much respect, but insurer A will heat seems to have been have to pay, on the third-party generated among motor fleet side, claims made on a liability operators hy major motor insurers' decision to allocate
cartain claim costs on a naw
basis and in cossequence to
raise the premiums for "noncomprehensively" comprehensively" insured

These fleats, say insurers, in its present terms, B's annual have heen paying too little in claims bill is much less than premium because their real it would otherwise have been. cost in terms of past experience

collizion between vehicles cost which his vehicles have covered by different insurers, generated.

calculable (the own-damage recalculable (the own-damage repair risk) and to insure only non-comprehensively and the incalculable (tha third-party risk).

With this change in attitude

party risk).
With this change in attitude to cover, the continued appli-cation of the troditional terms of the knock for knock agreement inevitably results first in able to recover 50 per cent of a distortion of costs between his damage repair bill from the a distortion of costs between insurers writing different kinds of account and then distortion a particular iosurer's account, so that eventually prices get

Take, for example, the relationship of just two insurers A and B: Suppose insurer A provides mostly comprehensive cover and insurer B provides mostly third party cover. In the provides as well.

Take, for example, the relationship restricted cover and that they will be in a position to charge them and, therefore, the rest of us a premium more related to the accidents which we all can cause. related to the accidents which we all can cause.

To meet the planned re-distribution of claims costs from to claim for any of his own policybolders' damage repair hills, insurer B will escape liability for his policyholders' damage repair bills hecsuse he does not provide cover in that related to the accidents which we all can cause.

To meet the planned re-distribution of claims costs from January 1, insurers need more premium on non-comprebensive fleets which are baing renewed this year, hecause policies now heing removed will run into 1980 and incur accidents which we all can cause.

To meet the planned re-distribution of the formation, later this year, of NORTHERN ASSURANCE UNDERWRITING AGENCIES, the Commercial Union marine and aviation division has made the following appointments: Mr. R. S. George bacomes under-disput.

With the protection of the knock for knock agreement

Just as the knock for knock has heen disguisad by the operation of the near universal knock
for knock agreement on motor
fleet claims.

The knock for knock agreement is a forbearance agreement. Where there is a forbearance agreement. Where there is a forbearance agreement. Where there is a forbearance agreement agreement or the first operator has been able to huy limited cover and have his insurers' knock for knock agreemant prometer him from the real claims.

each insurer; subject to the Because the fleet operator is terms of bis own policy, undertakes to bear his own claim usually paying thousands of irrespective of legal liability, without seeking recovery from the other.

This kind of forbearance agrazment works best when the the comprehensive/third party participating insurers are in the comprehensive/third party participating comprehensive significant in the fleet sphere

participating insurers are in the moin providing comprehansive cover—it is in these circumstances an insurance example of the swings and roundabouts principle.

In recent years there has been some movement away from comprehensive insurance, particularly in the commercial aector where many companies have decided to bear the calculable (the own-damage research).

Vehicle collision is far more significant in the fleet sphere than where individual policy-holders are concerned.

So after much discussion is far more significant in the fleet sphere than where individual policy-holders are concerned.

So after much discussion is far more significant in the fleet sphere than where individual policy-holders are concerned.

So after much discussion is far more significant in the fleet sphere than where individual policy-holders are concerned.

So after much discussion is far more significant in the fleet sphere than where individual policy-holders are concerned.

So after much discussion is far more significant in the fleet sphere than where individual policy-holders are concerned.

So after much discussion insurers bave decided to try to remove the distortion by modifying their stondard knock for knock Agreements from January 1. Thereafter insurers will be spplying a new claims handling clause to collisions between fleet vehicles insured in the fleet sphere than where individual policy-holders are concerned.

So after much discussion. handling clause to collisions between fleet vehicles insured

non-comprehensive fleet insurer. Insurers hope that in this way, between the various sections of and by the end of 1980, they a particular iosurer's account, will be more fairly allocating the rest cost of fleet claims to those fleet operators who are buying restricted cover and that

Yarrow managing director change

Mr. F. D. Penny, ot present deputy managing director of YARROW AND CO., is to become managing director on October 1. He will succeed Mr. Ernest Norton, who retires as manag-ing director at the end of Sept-ember, but will continue to ba associated with the company 55 associated with the company 5s
a part-time consultant for a
minimum period of one year.
Miss Betty Harvie Anderson is
to join the Board as a nonexecutive director from June 1.
She recently retired after a distinguished parliamentary career

Mr. Alan Sutton has been appointed executive director (industry and investment) of the WELSH DEVELOPMENT the WELSH DEVELOPMENT AGENCY from July 1. He is at present industrial director in the Welsh Office Industry Department. Mr. Sutton succesds Mr. T. J. Loveland, who is leaving the agency to join P. Leiner and Sons as group chief executive.

Renfrewshire.

Mr. Paul Watson has been appointed financial director of BABCOCK CONSTRUCTION EQUIPMENT.

Mr. Frank Foster has been appointed assistant general manager of LLOYDS BANK in succession to Mr. B. Williams who is retiring at the end of this

Mr. Devid R. Meek has been appointed a director of EURO-SURVEY.

Mr. Norman D. Kerr has been

appointed an executive director on the Board of MARLER ESTATES. He has previously held positions with Bovis and Holland & Hannen and Cubitts. Mr. Lacklan Macdonald has been appointed a director of WALFORD MARITIME. He is

managing director of Walford Storage and Transport, a subsi-diary.



P. Leiner and Sons as group chief executive.

Mr. Robin Waddell has become seolor partner of SPIERS AND JEFFREY, stockbrokers. He succeeds Mr. Herbert Waddell, who bas retired as a partner but retains his membership of the Stock Exchange and continues with the firm as a consultant.

Evans has been appointed deputy underwriter of the Indemnity Marine Assurance Company.

Marine Assurance Company.

Marine Assurance Company.

Marine Assurance Company.

Marine Assurance Company.

Marine Assurance Company.

Marine Assurance Company.

Marine Assurance Company.

Mr. Herbert Waddell, who bas retired as a partner but retains his membership of the Stock Exchange and continues with the firm as a consultant.

writer and Mr. J. E. H. Melvin,

Mr. Rhys Price Probert, director of the Royal Aircraft Establishment, has been made president of the ROYAL AERO-NAUTICAL SOCIETY in succession to Professor L. F. Crabtree.

High Low

931s 701s 9714

IEL AYIY				ETITLE N.V. B
	Prices	Č.		EurComTst(F)
				Girt-Broc (F10
Company	May 20			Heineken (FI
Carlelan Industria	1979	w	eek	Hoog'ns (FI_20
Banking, insurance				HunterD.(Fl.1
end Finance	307	+	4.0	K.L.M. (F).100
Sank Laumi la Jeraci				Int. Muller(F).
102 Sankholding	434	+	9.0	Het Ned InsF
2ans Napoalim Br	310	+	8.0	HedCr'd8kFl.
Union 2k, of Israel Br.	299	-	15.0	Hed Mid8k(Fl.
United Mizrahl Bank	235	+	4.0	Oce (F).20)
Hossneh Insurance &r.	351	_	35.0	DGEM (FL10)
Gancral Mort, Sank ar.	253	-	13.0	Van Bmmere
"Telahot" Israal M. 2.	300		22.0	
Land Development				Pakhoed (Fl.
Airica Israel Inv. 1£10	813	-		Philips (FL10)
Isreel Land Osvpt. 8r.	204	_	75.0	RinachVor(F)
Property and Building	- 351	+	14.0	Robeco (FL50
Public Utility				Relinco (FLSC
Isrest Electric Corp	262	+	7.0	Rorento (FL50
Investment Companies				Royal Outoh FI
Sank Leumi Invest	272		18.0	Slevenburg
"Cisi" leresi invast	850	+	33.0	Tekyo Pac Hid
Olscount Invest	282 .	_	18.0	Unitever (FL2
Commercial and				Viking Res
Industrial				Volker StynF
Allience Tire & Rubber	1,450	_	30.0	West_Utr, Kyp
Elco 2r,	222	_	5.0	VIENNA
Argemen Textile 2r	335	-	7.0	TICITION
"Ata" Toxtile "2"	.185 -	· - -		
Amer, Israeli Ppr. Mills	968		90.0	May 12
Assis	394		12.0	
Eliza	327		18.0	Creditanetalt
Teva - Rag	521		24.0	Perimooser
Erel and VIII				Selecta

Indices

NEW YORK -DOW JORES

	May 12	May 17	May. 15	May 15	May 14	May 11	High	Low	High	Low
	83,91	£5,£5	95,49	63.19	gā.21	\$0,17	85.90 (2/2)	207.50 (27/2) 32.82 (8/6) 205.76	1051,70 (11/1/18) 278,88	12,23
Utilities	T00,81	100.44	\$9.5 5	90.51	29.21		104.84 (6/4)	(27/2) \$8.51 (15/6)	(7/2/68) 185,52 (20/4/68)	10,58

Day's high 848,32 low 837.40

	WEATT .	may T	Apr			
ind. div. yield %	8.05	5.85	5,72	5.51		
CONTRACTOR OF THE PERSON OF TH						
STANDARD AHD POORS						
					•	

		1	- 1	:		1279		SinceC'mpii't'n		
]	May 18	May	May 16	May i	May 14	May 11	High	Low	High	Low
findust'is	111,42	7 1,48	109,74	169.45	109.40	109,52	116.69	107,69	134,64	3,53 (30)6(32)
indust'is	19,93	29.54	50.42	98.14	88.06	98,52	103.54	36.18	125.85	4,40 (L/6/32

	May 15	May a	May 2	Year ago (approx
Ind. div. yield Z	5.58	5.81	5.12	4.85
Ind. P/E Ratio	7,36	8.44	8.65	8.55
Lon Cou Bond World	0.18	5.54	5.80	8.42

GERMANY +

N.Y.S	F. Al	L CO	MIN					Rises and F	alls May 17 May 10
	May 17	May 12	May 15	High	279 Low 55.8 (27)	7 R	nchani nchani	622 847	1,904 1,857 1,161 895 389 674 384 500 21 10 50 68
MON	FRRA	I,		May 18	May	May 16	May		279 Low
	In	dustri	. i	246.86	246.03		242:59	259,21 (2715). 951.89 (2/5)	215-78 (2-7; 225,88 (2-7)

Industrial Combines

TORONTO Compos

JOHANNESBURG

Australia (5) 680.58

al ed	246,49	148:07 24	25 245.48	251.89 (X/F)	220,50 (Z/1)
osite	1481.5			1491.1 (2/5)	1816.8 (2/1)
G d	278.4 528.9	281.7 2	15_6 283.1 27.1 526.9	290.7 (7/2) 528.9 (18/5)	225.4 (17/5) 275.5 (2/1)
Pro	197 19 Hig	9 1979 hLow		18 vic	rev- 1979 1979 us High Low
	81 697. (197	88 : 545.72	Sharen.	77	.85 111.85 95.05 (6,6) (12.1) .02 401.54 553.48
	25 108	08 98 80 (3/1)	Switzerid	(4) 587.86 556	4.5 329.1 294.0
9 96	(10/ 1.9 8L	6 71.5	100	SS Amet	(2/5) (6(1)
0 75	(2/6) 1.4 : 839 (16)	S 754.4 :	1970. 1	Hang Sanz	Stellana 1972
8 78	85.	3 73.9 1) (17/5)	a Tokyo Times 1	65. 2.Li089	/1/68. b Straits d. d Madrid SE Industrial 1/1/58.
8 554 7 76	.71 568. .67 .42 78.4	6) (6)1)	/ Swiss B	ank Corpora	tion. u Unavail-
, , ,,	/264				

FRIDAY'S ACTIVE STOCKS

(31/1) (10/4) b) 401.15 294.28 (01.15 345.34		Chang
6) 401.15 294.28 401.15. 346.34		Closing on
(1816) (25.2)		price day
and base dates (all base	Squibb 379,700 .	28 -
except NYSE All Common-	Gen. Pub. Util. 312,700	197 +
erds and Poors-10, and	Sterling Onlg 300,500.	599. +
00-1,000; the last named	General Motors 279,400	394 +
1975) Excluding bonds.	Вовілу 255,700	394 +
striale § 400 Industriale, 40		352 +
Finence end 28 Transport	Phillips Petrolm. 249,200 Macmillan 232,800	19% +
Alt Ordinery. # Balsian 3E	Ramada lova, 227,300	713 + 3
Copenhagen SE 1/1/73	Am. Homa Prod. 206.600	25% + -
urse 1961. ‡‡ Commerzbenk	Will' Hours Lines months	

EUROPE

AMSTERDAM '	1	SRUSSELS/LUXEMBOURG	SPAIN T	TOKYO 1
May 18 Fig 1 %	Yid.	May 18 Price + or Frs. Yid.	May 17 Per cent	May 18 Yen - % 2
Ahoid (Fl.20) 97.7 + 0.2 , 22	4.5	Frs. - Net X	Banco Exterior 275	Asahi Glass 536 14 8 Canon 536 6 12 1
Alczo (Fl.20) 50.5 0.1 Als'm Bk (Fl 100) 550 +1 A25	7.1	Babant -8" 2.645 +25 130 5.2	2. Granada (1,000) . 134 —	Casio 745 10 25 1 Chings 660 +2 20 2
Amey (F).10) 100.0 +0.8 50	501	C 8 P Cement, 1,210 +20 ,100 8.5	Banoo Nispano 279 - 3	Dai NioponPrint 586 +1 15 1
Amrob'k (Fl.20). 71.4 + 0.4 125 Blienkorf 77.8 25	5.0	ERFS 2,155 +5 177 8.2	2co. I. Cat. (1,000) 153 -	Fuji Phote 623 —6 15 1
BokaWatm(F)16' 113.8-0.8 - 65	7.5	Flactrobel 2,840 +20 400 0.0	Benco Medrid 204 —	Hands Motors 373 +8 18 1
Buhrm' Tetter'.' 63.8 + 0.3 / 26 Elsey'r-NOU(F)28 075 !-1 he40	8.e	Fabrique Nat. 3.750	8. Sentender (250) , 321 — Banco Vizcaya 279 —	Nouse Food 56 1
Ennia N.V. B'rer 147 +1 A57	5.1	Gevaert 1.248 +12 85 6.8	Zanco Zaras ozano 252 - Z	Ito Yokado 1.420 50 1
	4.8	GBL IBrux L) 1,740 90 5.1 Hoboken 9.305 +43 170 3.8	Dragsdos 187 3	
	4.1	Intercom, 1,850 +5 142 7.5	Espenola Zinc 90 -	J.A.I
Hood'na (FLED). J 35.8 + 0.61 -	<u> </u>	Kredietbank	Fecas (1,000) 67.50 + 0.75	Komatsu 347 -3 . 18 2
HunterO.(Fl.100 25.20.1 1.2	5.5 8.7	La Royale Belge 5.560 +40 2525 5.0 Pan Neldings 2.740 +60 \$2.26 2.8	Gal, Preciados 74 + 2	Kubota
	10.3	Petrofina4.400 -100 190 4.2	Hidrols	Kyoto-Ceramic 3,320 +11 35 0 Mafaushita ind. 703 -6 20 1
Het.Ned insF 10 111.8+0.4 55	4.8	Soc Gen Banque 5,330 +20 220 3.5 Soc. Gen. Baige 8.095 140 4.7	Petroliber	Mitaubiahi Bank -550 +1 10 1
HedGr'd8kFl.20 55.0 st +0.7 35.1 HedMid8k(Fl.50 208 - 3 24		Bofine	Petroleos 164 + 2.50	Mitsubiati Ho'vy 154 +1 12 5
Oce (FL20) 164.3-0.5 52	4.6	Solvay	3niace 45 -	Mittal & Co 338 +8 14 2.
GEM (FL10) 93.1+0.5 24	10.2	Traction Elect. 2,885 -3 170 3.8 UC8	Sogeliss 130 : -	Mitsukoshi 481 20. 3
Van II mmeren 162.6: — Pakhoed (Fl.20) 44.5:+1.3 —	:= I	Un Min. (1/10) 834 +14 40 4.8	Talelonics 75.75 - 0.25	Higpon Denso
Philips (F1.10) 95.024+0.21 12	8.5	Violio M'ntagne 1,755 +50	Union Elec 69 —	Nissan Motors 704 1 16 1
Rinach Ver(F) 196 52.5 + 1.0	85	COPENHAGEN +		Pioneer
Relinge (FL50) 151.8.+1.0 1	- 1	Price H or niv. Yid.		Sekisui Profab. 775 30 1
RoyalOutohFi20 152.1 m 53.76	5.8	May 18 Kroner - % %	STOCKHOLM	Shiseldo 1.040 -10 20 1.
Slevenburg 840 11.2	8.3			Talsho Marine 247 -3 11 2
Tekyo Pac Hids 134.8 +0.5 \$0.8		Andelsbanken 14054 :18 7.7	May 18 Price + or liv. Yld	Takeria Chem 489 -1 15 1.
Viking Res 193.8-0.1.42.4		Danske Bank 1934 12 9.7 East Asiatio Co. 131 —1 10 7.7		
Velker Styn Fi20 86.5 + 0.5 30	7.0	Finenetronken 14814 + 14 13 10.8	AGA AB (Kr. 40), 194 +2 6 3.S Alfa Laval(Kr.50 122m 3 4.0	Telyo Marine 520 +5 10 3
	4.3	Bryggerier 295 13 4.4	ASEA(KY.50) 87.0 -0.5 3 7.4	TokyoElect Pow 907 -1 - 8 0
TIENNA		For Papir	Atlas Cop. Kr23. 81.0m +3.5 7 8.2	Tekyo Sanyo 440 +4 12 1 Teray 174 +5 10 2
May 12 Prica +er liv	YId.	G Hthn H (Kr90) 328 12 S.3	Billerud	Toshibs Corp. 148 +2 10 8
		Nord Kabel 172 -12 12 6.8 Novojnd stries B 203 10 4.8	Carde 170 -1 5.75 5.4	Teyota Motor 903 -12 20 1
Creditanstalt 335	8.0	Oliefebrik 1541g - 19	Collulosa	Source Nikke Securities, Tokyo
	2.4	Privatpank 18734 18 9.4	Ericason 8 (Kr50 138 +1 5.5 4.0	BRAZIL

35 341 ₂ 251 ₂ 456 ₈ 895 ₈ 383 ₆ 58	79 Low	PRK		High	979 Low	Stock	May 18
High 35 341 ₂ 251 ₂ 456 ₃ 995 ₈ 383 ₆ 58	Low		24				
341 <u>2</u> 251 ₂ 456 ₈ 385 ₈ 385 ₆ 58		Stook	May. 18	751 ₂ 541 ₈	324 4856 251 ₂	Corning Glass CP_in t'rnation'i	341g 491g 291g
4568 8959 3836 58	301s	Abbott Labs AM International	33 15	3012 4112	2434	Crane Co	29 ld
383g 58	21 383e 335 ₄	Adobe Oil & Ilas. Actua Life & Ca	93 431 ₂ 0758	384 135	3354 134	Cummins Engine Curtiss Wright	3734 1510
	531g 461g	Air Products Alcan Aluminium Alcos	341 ₈ 591 ₈	325g 456g	254 381	Dana	2734 43
125a 171a	1578 151 ₂	Alleg. Ludium Alleghony Power	184	374 13%	334 85s	Octoria	351s 104
351 ₂	281 ₂ 21	Allied Chemical	32 če 23 4	17%	15	Delroit Edison	151 144;
54 5458	29 471	Alic Chaimers	315g 531s	2856	124	Olamond Shmrk DiGlergio Corpn.	1318
3312 1454	051s	Amerada Ness	1218	55 6g 41 5g 51 7g	501s 33 41	Digital Equip Olsney (Walt) Dover Corp'n	3614 5014
3234 3778	424 524	Amer. Srands, Amer. Sroadc'st.	37/g 37āg	296g 295g	2478 341 ₂	Dow Chemical	243 ₄
273e 273e	38 2468	Amer. Can	3714 231g 231g	1441	353g 1083g	Dresser Dupont Eagle Pitcher	403e
25 521,	1078	Amer. Dist. Tel Amer. Elect. Pow Amer. Express	315g	845a 21s	195q 71g	Eastern Alrines.	90 8 58
304 344	2478 2434	Amer. HemeProd Amer. Medical	321 ₂	55 54 32 65	58 343 ₄	Eastman Kodak	374
414	43 ₈	Amer. Motors Amer. Nat. Res	718 3714	341 ₀	274	E. G. & G El Paso Nat, Gas.	32 18
4918 5854 3454	307s S15s 58	Amer. Standard Amer. Stores Amer. Tel. & Tel	48 545, 5858	295g 368s	237e 3234	Emerson Electric	063 ₄ 335 ₆
343 ₄	2978 15	Amotek	324 133	183 ₄ 57	1756 33	EmeryAlrFreight Emhart	35 Se
3812 1634	885g	AMP.	3312	5 583e	285	Engelhard	258 3578 254
3078 2714	18	Ampex Ancher Hocking Anheuser Busch	18 83 504	074 27 54	0214 4834	EsmarkEthyl	27 5134
225g 271 ₂ 177g	105g 225g 131g	A.B.AAsamora Ilil	853,	563g 531g	22	ExxonFairchildCamera Fed.Dept. Stores	55 % 28 %
205a	156	Assrca	1712	1334	12 154	Fed.Dept. Stores Firestone Tiro First Chicage Fst. Net. Boston .	12 ⁵ 4
4478 5578 3334	54-5e 55 081	At. Richfield	85 % 3 1 %	271 ₂ 193 ₈ 361 ₂	0312 1412 005a	Fist. Net. Boston . Flexi Van Flintkote	1278
123g	778 1878	AVC	1058	586g 411z	2534 325s	Floride Powar	30
353g	816s	Avon Products Bait. Gas Elect Bangor Punta	4034	28	824		
257e 257e	10 ⁵ 4 24 33	Bank America Bankers Tr. N.Y.	2454 2358 3778	454 01	184	F.M.C Ford Motor Foramost Mck	48 81 37
3778 3154 4378	84 1 ₂ 357	Barber III	5814	381 ₄ 8 461 ₈	50 58 324	Franklin Mint Freeport Mineral	812
2378	2018	Beetric Food	204	55 124	285s	Frueheuf	32
565e 175g 401e	611a 1414 361a	Rell & Howell	175	1319	10a	GAF	103.
44 245s	3 1212	Bendix	226g	4434 50 1034	3034 8478 81g	Gannett Gelr 2	27
225g 321g	153 ₄	Black & Decker Boeing Boise Cascado	325s	271e 1834	2419	G. LT.X	181
8512 2714 6054	28 245g 953 ₄	Borse Cascade Borden Bors Warner Braniff intl	35 26 4 227s	3014	96	Gen.Dynamics	29 49
144	1068 1514	ST25087 'A'	184	35 4 29	297s 24 s	General Milis	301 251 59
44 251e	3259	Bristol Myors,	295	595g 185g 3117g	5459 819 25	Can Pub Dell	93g 303g
18 156	131a 121 ₂	Brockway Glass- Brunswick	17 14	303s 267s	27te	Gen. Signal Gen. Tel. Elect. Gen. Tire. Genesco	2772
9034 1012	151 ₂ 554	Bucyrus Erlo Bulova Watch	18 10 47	504	255 ₄	Georgia Pacitic	28
47 78	351 ₂ 641 ₃ 527 ₈	Surington Nthra-		351 ₂	2734 361	Gesty Ill	5554 437
3534 2836 15	184	Campbell Soup Canadian Pacific Canal Randolph .		2,6 5g	2354	Gillette	24 1714
. 28 123	25 11	Carrier & Ganer.	955g 111g	201e	175e	Goodrich B. F Goodyear Tire	197g
1812	145g 6514	Carter Hawley Caterpillar Tract	17 5534	29 I4 29 I6	231g 255e	Gould	24 273
551g 484	4414	Celanese Corpn	4512	2878	5 s 215	Grt. AtlanPac Tea Grt. Herth Iron Greyhound	7½ 25
174	1454 1514	Central & S.W	1312	14% 15%	1158	CTUIT & WARTAIN	T+28
203 ₁ 26	157g 2034	Cessna Aircraft. Champion Inter.	133 ₄ 255 ₈	275g 72	23 591 ₂	Guif Oil	255¢
554 884	511 374	Ch'se Manhettan Chemical Bk. NY		5234 1712	505g 115g	Hanna Mining Harnischfeger	1178
301 ₂	2114 261 ₈	Chemical Sk. NY Chesebugh Pond Chessic System	72.	4170	055s 38 274	Heinz H. J Heublein	481
50% 10%	451g 21g	Chrysier	25		274	Hewlett Packard	
254	30 225g	Citics Milacron Citics 2 ervice	2356	25 2078 3634	151 ₄ 311 ₈	Holiday Inns	175g 331g
677g 131g 611g	331g 14 17h	City Investing		7634 151 ₈	64 10-8	Honeywell,	70 15
45 12	357e 135e	CocaCola Col2ate Polm	37 ès 1658	327e 291e	\$61 ₂ 2334	Hosp-Corp, Amer Houston Nat.Gas	27
103s	834	Collins Alkman Columbia Gas	25g	1634 1856	154	Hunt (Ph.A) Chm Hutton (E.F.)	15 16%
25 184	121g 124	Columbie Figt	2128	28 463 ₄	2434 385	I.C. Industries	26 4278
401s	3254 05s	Combustion Eg.	404 105g	53 40	- 47 56	ingersell Rand	49 351
263 ₁	221g 401a	Comm. Satellite	435g	1312		Insiles	
135g 377g	105s 351g	ComputerScienc	11 55	2456	9971 ₅ 2014 3478	itni, Flavour	307.5 21 32
174 241 ₂	135g 01 lg	Con. Edison NY.	2212	42 474 514	5834 181g	inti. Narvester inti. Min & Chem inti. Multifoods	45 20se
2456 4018	211g 385g	Consol Nat. Gas	374	214 474	183 ₄	Inco	1972
231 ₈	12 ¹ 4 2478	Consumer Power Continental Grup Continental Oil	201 ₂ 291 ₈	474 14 224	101g	inti, Rectifier	28
347g 1334	145e	'Continental Oil Continental Tele Control Data	1818	24 14	1778 11018	lowa Beef	181 ₈
3234		Cooper Indus		3212	264	Jim Walter	091-

			'	/	-		refer b	
0215	2036	K. Markenner	35	4018	28	Rockwell Inter	381	
214	174	Kalser Alumini'm	2054	404	2810	HONT & HASS	3912	
254	2	K. Mart Kalser Alumini'm Kalser Industries	2	401s 4049 597s	544	Royal Dutch	68 to	
5034	204	Kalser Steel	276		878	PIE CHE	278	
1812	184	Kaneb Services.	1438	77.2	83	Poer Tone	10.0	
153g	134	Kav	15		1310	Danies Dune	013.	
251	21	Kalser Steel Kaneb Services Kay Kennecott Korr MoGee Kidds Walter	253e	46	354	RTE Ross Togs	227-	
585	464	Korr McGee	464	701	304	Pale May Stores	3319	
3154	28	Widde Wahar	20		2154	St. Joo Minerals.	30 Mg.	
4834	4354	MODE WATER	467-	384	231	St. Reg is Paper	30	
		WILLIAM CHAIN	700	7 381	281	St. Regis Paper Santa Fe Inds	3812	
32	185g	INCODER		. 2 (510	Saul Invest	-71e	
4813	454	Kreft	431	854	458	Saxon Inds Schiltz Brewing	51a	
42	334g	Kroger Co Leaseway Trans.	3914	15%	8	Schiltz Srewing	Olg	
224	104	LOSSOWEY ITELIA	313	756 1	434	Schlumberger	70 če '	
6054	381	Levi Strauss Libby Ow. Ford.	45	241	151	SCM	235	
28-4	2414	Libby Ow. Ford.	267a	185	1236	Scott Paper	18	
,				185a 21	1734	SCOTT PARET.	1850	
30	3.550	A language Comment	**	21		Scovil Mrg		
		Liggett Group	020	818	Z18	Scudder Due Cap	84	
53	471	Litton Industries	00	353g	1534	Sea Containe ra	1.35a	
265g	287	Litton Industries	. 957	341	033e	Besgram	5519	
2572	1834	LOCKII OU AITOM	2014	1.63	11358	Searle (G.n.) Sears Roebuck	15	
2518	214	Lone Star Ind'sta	2178	324	18	Spars Roobuck	12 '	
184	154	Long Isl'nd Ltd	156g	484	2478	3EDCO	23	
2818	234	Long Isl'nd Ltd Louisiena Land	281		2814	Theil Oil	4014	
4814	42	Lubrizel	42	5712	2014	onei Oil	40.4	
17	141,	Lubrizel	16 le	07.72	S734	Shell Transport Signa	6256	
1050	1078	MacMillan	1830	974	1958	PIRUS	X20.4	
37	33	Macy R H	35 L	386g	283	2ignode Corp 2implicity Pat	344	
37 3534	514	Mire Harryer	34 24	14%	834	Zimolicity Pat	115	
22	263	WILL LIGHTONOL	977	244	1276	SING OF	12%	
33 754	50-1	Mepco	27.4	574	201e	Smith Inter	5314	
194	321	Marathon Oil	72	1081-	4ZIe	Smith Kline	814	
165	14	Marine Midlend.	15 5e	410	314	Southdown	378	
2014	1358	Marshal Fleid	1754	457e	324	Southdown	40%	
6834	304	Marsh McLenn'n	81		0572	Southern Cal.Ed.	251g	
				177-	124	S.uthern Co.	13	
27	2234	May Dopt. Stores	235		275	Southern Het Res	331g .	٠.
48	371	MCA	414	74	23	Southern Braisia	5012	•
2212	157	McDermott	1710	771	25	Southern Pacific Southern Railw'y	3012	
353	274	McDonnell Doug.	92		23	Southern (WIM A)	31 Ja	
3354	0418	McGrew Hill	05 1g	2734 1 893 ₈ 1	8218	Southland	55	
3812	2834	McGraw Hill	52	893m	223e	O'w't Banshares.	225a	
716	533g	Merck -	643	50	1318	Sperry Hutch	134	
20	177	Adams I work	10-	427	325	Sperry Rand	464	
	1 298	Mottal Lynch	1006	5774	213	3quibb	285g	
4430	326q	Mesa Petroleum-	40	906	821	Standard Brand	2514	
261	2018 5554	MGM	0110	503	3414	Std.Illi California		
6518	5654	Mesa Petroleum- MGM Minn Ming & Mitg Mobil Corpn Monsanto Morgan J. P	754	6414	4334		514	
305g	6818	Mobil Corpn	754	611-	287	atd. Ill Indiana	5138	
3004	4678	Monsanto	49 .	4914	34	Std. Bil Bhio		
483	434	Morgan J. P	454		121	Blauff Chemical.	414	
431	36	MOTOTOLE	42	2014 · 4358 ·	15:31	Sterling Drug		
6212	403e	Marphy Oil	51 ès	4354	177	STOPERET echniqu	40	
2512	225.	Marphy Oil	227	323 541 261	2412	Studebaker Wor.	e55	
341	254	National Can	521s	6414	351e	Sun Co	503	
205g	163	National Can	184	264	. 15	Sundstrand	24 -	
			_		184	Syntex	36	
B354	1854	Nat. Distillers	221.		1850	Tandy Corpn	1534	
18	144	Nat, Service Ind	161e	1531	10	Sundstrand Syntex	137	
331 ₂	061g	National Steel	3212	3714	321g	Textronix	4834	
48	403	Natomas	41 24	1964		1 GIBGY TO	110	
	6954	natomas	71.05	541	4	Telex	43,	
715	204	HGR. Now England E. New England Te Niagara Mohewk	693s 203s	341.	. 28	Telex	3134	
235a 364	34	Now England En	34	10- 1				
13%	1334	New England 14	1512	183e 271g	B2 1	Tesor ar leum	256	٠
1339	134	MARKET WOLLDAN	107	274	DZ 1	Texaco	200	
114	234	Magara Share	105g	251,	151	Texasguit	21	
24	20	Niagara Share N. L. Industries Norfolk & West'n	81	47	32	Texasguif	4276	
2516	2178	MORTOIX & West'n	24	2712	315	Texas inst'm	79	
431	555a 2134	North Nat. Gas	4012	39	241	Texas Oil & Gas	37	
205s	214	Nthn. States Pwr	951	224	18	Texas inst'm Texas Oil & Gas Texas Utilities	195g	
56 če	254	Nthwest Airliner	50	503.	3334	Times Inc	56	
87%	871-	MINW'ST BATCOTT	2575	3834	231	Times Mirrer	88	
1710 I	144	Norton Simon	1578	5934	41	Timken	5CLs	
217	1654	Norton Simon Occident'i Petrol Ilgilyy Mather Onio Edison	127-	224	18	Times Inc. Times Mirror Timken Trane Tran. America	18	
244	20	Tigiby Mather	20.0	184	12	Tran America	17	
171-	1434	Obio Edison	171	2914	204	Toronto	245a	
081	1714	Other	10.3	52.36	404	11 (ALISCO	243	
.00.6	14.4	OIII	204	504		Transway Inti	30	
					20	LATER MENURAL INTE	215.	

Ford.	45 267s	241 ₈ 1854	151	SCM	235s	
		21	1236	Scovil Mrg	185	
oup	22	81g 353g	21g 1534	Scudder Due Cap Sea Containers		
Airerit	957e	341 ₀	033s 1135s	Searle (G.B.)	551g	
nd sts	2178 1568	324	18	SBATS ROODUCK	12 '	
Litd	2818	484 426	247 ₀ 281 ₄	Bheil Oil	4014	
ree	164	571g	\$734 1958	Shell Transport.	625	•
	185a 354	386g 14%	283e 834	2ignode Corp 2imolicity Pat	344 115	
OVOT	345e 277e	244	127e	Singer	15%	
Oil	72	10812	301e 431e		551g 811g	
diend. eid Lenn'n	155e 175e 81	457	314	Southdown	378 40%	1
Lenn'n	81	274 177	057g	Southern Cal.Ed.	251	
Stores	285 414	581- 1	275e	Southern Het Res	331g .	
t	171a	341	23 25	Southern Pacific Southern Railw'y	5012 311a	
Doug.	28 051 ₈	2734	8218	Southland	55	
	52 643	893 ₈	223e 131e	O'w't Banshares. Sperry Hutch	2854	
rch	183s	573	325g 213g	Sperry Rand	285	
& Mtg	011.	295a 5034	821e	Standard Brand. Std.fill California	2514	1
ж	754	641	4334	atd. Ill Indiana.	514	
P	454	494	287e 34	Std. Bil Bhio	5138 414	
**********	42 514	2014 ·	125	Sterling Drug StorageTechnigy	20 40	
	227e	3234 5414	241g 351g	Studebaker Wor.	655s	
micals an	184	2614	· 15	Sundstrand	24 -	
ers	221g	84% 1334	184	Tandy Corpn	36 1534	
e Ind	161g 321g	Z714 (10 321	Technicolor	137g 483,	4
	41 še	1963	374	Teledyne	118	
Ind E.	693s 203s	541		Tenn eco,	3134	
ind Te ohewk	34 15 la	185e 27la	821s	Texaco	256	
tries	108g	251 ₈	151	Texasoulf	21 427	
Wast'n:	24 401 ₂	271 ₂	315	Texas Eastern Texas inst'm	79 37	
Gas	95 lg	221	18	Texas Oil & Gas	195g	
ricorp	50 2575	5034 3634	3334 2310	Times Inc.	55 58	
Petrol	1578 1278	595 ₄	41	Trane	501s	
ther	20 131 ₂	184	18	Tran. America	17	
n	204g	32	28	Transco	245s	
Ship	951e	3014 3014	131	Twoorp	215e	
กไกย	27	3854 1254	3334	Travelors	35% 16%	
10is	12 22	634	410			
hting.! k Lig orld Air, unifin.	313g 20	4056	296x	Triton Oil & Gas.	36	
orld Air	57g 2586	417	30 - 137	Zuth CenturyFox	40 185	
141 E	20	515 ₄ 517 ₈	- 60	U.A.L	26 30	
È	12 291 ₂	2130	17	V &I	211	
	32 531 ₂	0486 551	403	UNC Resources	174s 316g	
ug	10	6435	6034	Unliever NY	51 ·	
13 ,,	2858 2818	4812	34	Union Carbide UnionCommerce	'87TB	
		101	351 ₂	Union Commerce	10 57	
₹ 0	285 ₆	65	5112	Union Pacific	55 če	
dge	23 13	113	51g 85g	United Brands	61g	-
ris,	547 ₆ 351 ₈	38	233	US Bancorp	237B	
dro'm.	354	2312	2018	U2 Shoe	225g 20	
Y95	S5 20	351s 415s	214	Utd Technologies	221g 377g	
ADR		3234	201g	UY Industries	2218	
	307a	151 ₈ 285 ₈	12 24	Virginia Elect Wagreen	13 23	
Elec	13	24 373	121 ₃	Wallace-Murray Werner-Commo	235g 345g	
tries amble	27% 72	251g !	2154	:Warner-Lambarti	83	
Elec.	2115 3215	303,	R.1	Waste Man'mont Wells-Fargo	357 ₆ 28	
	163g	281 ₆	7418	Marrelli Raucorb	285g 32	
tz erioen.	225a 151 ₈	20%		Western Union Western Union Westing he Elec.		
	4352	204 32	2412	Westing'he Elec.	171 ₂	
1200	28 407a	2052		White Con. Ind -		s
21	TU-8		-0.6		-015	
1			7			

Hìgh :		Stock	May 18
15 to	1434	William Co	174g
227	23ta	Wattonsin Elect.	2434
20	.104	Woolworth	075g
588 6012	6256	Xerox	5018
1754	1358	Zapata	1634
164	125g	Zenith Radio	1310
95	94 8€	U.S. Tress.42'80	
18114	775	USTreas41175/85	18112
9.75%	8,367	U.S. 90-day bills.	3.202
197e 1	17 .	Abitibl Paper	1712
7979	57	Abitibl Paper	8
451	5034	Agnico Easle	40
5014	254	Alogma Steel	287a
22	4054	Asbestos	45
275	284	Bank Montreal	284
251	22	Bank NovaScotte	28
586g	4,85 207	Basic Resources.	22
293	2034	Boll Telephone Bow Volley Ind	2678
25		2P Canada	2234
25%		2 rascan	231
94	200		+8

	CAI	NADA
	1979 2519 55019 22 2759 2519 11 3869 2934	17 - Abitibi Paper
	25 255 94 45 114 111 ₈ 511 ₈ 231 ₂ 30 117 114	201, 12P Canada 223, 223, 224, 227, 228, 228, 228, 228, 228, 228, 228
	4134 38 1458 1156 1258 1258 2754 135 3318 34 2878 2878 2784 2778 2784 2778 2784 2778	28 Chieftain 521s 531s 62minco 351s 62minco 351s 521s 531s 631s 631s
•	451s 481s 481s 477s 244s 641s 1491s 291s	5534 Genstar 451s 934 GiantYell wknife 356 GittOlior Canada 185s 3634 Hollinger 1940 4234 Home Oil A 371s 1814 Nudson Bay Mng. 30 1814 Hudson Bay Mng. 371s 581s Hudson Oil & Gas 556s 1815 Inco. 275s 185s Inco. 225s
	13 100 20 25 25 8 45 45 45 45 45 45 45 45 45 45 45 45 45	12½ Indai
	5034 2515 4,11 2918 3718 1,75 2414 1078 40 4536	8812 Pan CanPetrol m 4212 18 Patino 73514 2.23 Place Gas & Oll. 2.81 555c Placer Gerston't 26 2112 Power C'porat'n 1.30 Quebecsturgeon 1.38 1214 Ranger Oll. 2374 2 Reed Stenhouse 252 Rio Alson 2214 Royal St. of Can- 1438 Royal Trustoo 15

	Oresdner Bank Dyckerhoffze't. Sutehoffnung	205.1 188 182	+8	28, 12 8, 38 18.75	6.8 2.8 4.2	1
	Hapas Lloyd	23	L	114 DE	7.4	ļ
1712	Harpener	140.8	+ 1.5 -0.3	112.60	5.3	
40	Horten	IN		0.37		
287e 45	Kali und Salz Karstadt	154.8 315	l-1.3	1 > .83	5.8	ł
284	Kaufhof	213,5	+1.0	18.78	4.4	l
22	Klockner IIM. 108 KHO	73.6 178.5	-2.0	81.88	2.3	ı
2678	KHO Krugo DM.100. Unde	271	-4	25	4.8	ŀ
2234	Leftbansa	1,430 99	+ 5.5	03	8.8	ĺ
†8 45	M.A.N	184		21.12	5.2	
14 15	Mannesmann Metaliges Munchener Rck	037a	+0.5	12.5	2.5	ı
101e	Munchener Rck Neckermann	360 185.3	-0.3	26,12	2.8	ı
824 92	Neckermann Preuss'g IM100 RheinWest Elect	153 138	+1.3	23	7.4	
2914	Schenno				3.1	ł
1310	2/emone 8ud Zueker	240.5 02.5 156	-0.2	17,56	3.5	ŀ
201	Thyssen A.G	156	-0.5	16,15	3.9	ı
521s 354	VESA Voroins&W'stBk	283		28.11	4.9	l
127g	Volkswagen	229.3	+1.4	28.12	2.1	l
215a 81s	MILAN					١
131 ₂ 107 ₈	May 18	Price Lire	+ or	Div.	YId.	
214	AHIC		·		<u> </u>	
557g	Bestogl	750	2	183	-	ı
051 91 4 585	Flat	2.700 2.810 178	-11 -81	183	3.5 8.4	ļ
5854 385e	Finsider Italcamenti	17.900	+210	600	5.5	ı
	Mediobanco	408 34,580	-20	1.260	3.4	
451g 185g	Montegison	1 106	+4	=!	=	Ι.
471e 111e	Pirelii & Co Piralii & Go Snia Viscosa	1,631 805	+5	150 80	7.9	
371s	Snia Viscosa	863	+5	1 -1	-	
30 871	OSLO			' :	_	
584s 18		Price	+ or	Div.	Yld.	
414	May 18	Kronor	_	×	2	
275a 2234	Bergen Bank	103	+1	3	3.8	
13	Creditbank	122.5		11	8.2	
1254 185	Kosmos Kred itkassen Norsk HydroKr8	117	+10 -7.25	10	2,3 9.4	
19 4.13	Norsk HydroKr8 Storobrand	130,0	-7.25 + 1.25	10	3.5	
253a	PARIS	٠.				
131s 451g	-	Price	+ or	Div.	YId.	
371 6.70	May 18 -		-	Fre.		
4034	Airique Occidit	232 315.5	—17 + ₹.0	41s	5.0 8.0	ı
20 44	Air Liquide	313	-2	15.5 25.25	40	
28	M167	Dog	+2	14.95	5.n	
1.00	Bouygues B.S.N. Gervais Carrefour C.G.E.	891 560	+14	42 40,5	5.D 4.7 7.2	
4212	C.G.E	1,745 nd 378.8	+24	J 73 I	8.2	l
25 ¹ 4 2.81	C.J.T. Alcatel Cis. 2ancaire Club Mediter	1,055	+15	21 15	7,7	ŀ
28 265	Club Mediter Cr'dit C'm Fr'ce	425 148.6		2	3.2 2.1	
1,38	Oreusot Loire	60,0	-0.3	12.75	8.7	
2578	Fr. Patroles	524 169	+6 —1	35,75 14,1	4.2 2.5	i
321g 403g	Gen. Occid nt'le	253	l −ī	10.2	4.1	
15	Inetal Incques Borel	78 117.4 241.5 587	-0.5 -0.5	5.7	7.3	
55g ·	L'Oresia	241.5 687	+1.5	20.19 22.3	8.4 3.3	
374 1878	Legrand Mais' n5 Phoenix	1,652 571	TEU	3¢,75	2.2	
104 2.70	Michelin "B",	222	12	77 E	7.0 5.7	
221g	MoetHennessey Moullaex	464.5 28.05 88.20	+2.5 -1.35	13.75 3	5.0	ľ
5,95 131 ₈ ·	Nord (Cie du)	TO A IN	+3	2,23 10.15	8.1	ľ
\$21 ₂ 221 ₈	Pernod Ricard	24.1	-0.7	7.5	8.0	
215	PeugeotCitroen	889,2 351 194	-4	16.5 17.25	4.6	
125	Radio T chnique	339	+5	50	8.1	l
105g 25g	Redoute	602 116	+8	30	3.1	
43- 1452	St. Gobaln	166,2	-0.2	10.5 14,55		
26	Skie Rossignol	290	+ 16 3.5	52 27	2.3 8.2	
1 New	Telemecanique ThemsonStandt	770 212.3	+18	25.5 16.2	3.5 7.7	ı
	Usinor	11.60	+ 11.80		=	

iceson 8 (Kr50 138 selte (Free) 142	- 1 . 5.	5 4.0	BRAZIL	5. 5	
seite (Free)	+1 9	2.8	-I. Prioc.	f or C	nizi
anges (Free) 51	+1 -	54	May 18 Cruz	I	iv.
LIEDOU .: 145	9	5.8	Acosita	+ 0.98 0. 	14
ndvik 8'Kr190 225m	6.6	8.3	Bancodo Brazil. 1.68 Banco Ttau PN 1.35	+0.03 0	20
K.F. 8 Kr.50 52.0	-1.5 4.8	7.1	Beigo Mi oira IIP 1.75 Lojas Amor II.P. 2.25	-0.03 O +0.02 O	,104
ndetik B(Kr50 65x		7.6	-Petrobras PP 1.50	-0.05 C	.131
dehelm : 31.6 ivo Kr 50) 89.0	-0.5 - +0.5 -7	7.2	Pirelli IIP 1,30 Bouza Cruz OP 2.26	O. 15 Q	.08
-	10 10	1,0	ValeRioDoce PP 1.74	0.16 0 0.06 11	.88.1 .13
	2	7	Tumover: Cr. 117.6m.	Volume	
VITZERLAND #	1		Source: Rio de Ja		
I Price	or Olv	.ryid.	HONG KONG		•
May 18 Frs.	~ X] <u>x</u>		· · ·	
-1-1 7 540	в	8.9.		May 18	Ma
minium	10	2.7		- ; - ;	
o. Part Cert 1.050m	+15 88	3.0	Amalgamated Rubber.	10.10	8
o. Rog. 718m	+2 22	3.1	China Light & Power	21,80	21.
octrowett 1,8 /U	+5 10	2.2	Cosmocottan Prop Cross Harbour Tunne I E. Asie Nevigation Hang Geng Bank Hong Kong Electric Hg. Kg. Kowloon Wharf	2.15	8.
HmanPtCort, 88,000	$1 \pm 300 (110)$	3.5	Hang Cong Bank	5.30 133.00	150.
o. (Omail) B.200	+25 1110	2.5	Hong Kong Electric	4.75	4.
moli (Fr.100) 1.535	+5 21	1.4	Hong Kong Land	17.45	2.
etia (Fr. 100) 5.500	+111 x85.	2.4	Hg. Kg. Zhanzhai Banki	13.70	15. †15
rilkon B(F850 2.655	_3 . 13	1:4	Ng. Kg. Shanghai Hotel Ho.Kg. Telephone Nutchinson Whampoa	24.60	23.
	+40 26	1.5	Jarding Matheson	12.50	11
blad'sCHE100: 350	+1 25	3.5	New World Development	7 170	7.
zer Ct;F.100) 355xd	14	4.3	Rubber Trust	3.60	1. 15.
Bk.CD(F100) 384	+1 10	3.5	Simo Derby Swire Pacific A	7.50 8.40	8.
	-50 40 -10 20	1.8 S.1			3.
rich ins 18,000 xs	+225 44	1.7	Wheelock Maritime A Winsor Industries	12.23	2
	ــ.ـــــــــــــــــــــــــــــــــــ	<u> </u>	xd Ex-dividend. † Sur xa Ex all. Susp. S	yer + S	igile Selle
	•	ì	IOHANNESSURG	papeilo	
JSTRALIA			May 12	Rand	+1
<u> </u>		<u>.</u> -	Angle Amer. Con	8.55	-
May 18	. Aust. \$	+ or	Charter Consolidated	‡4.45	
•		·	East Briefontein	13.25··· 2.07	
MIL (25 cents)	†0.57 †1.10		Harmony	7.10	-6
ATIL \$1	12.40		Kinross	2.55	
pol Exploration pol Petroloum	10.69	+0.06	Rustenburg Platinum	14.60 . 3.15	<u>.</u> I
oc. Minerals oc. Pulp Paper \$	11.50		Southvest	17.00	=
dimos 25 cents st. Consolidated Inds.	10.28	-0.82	Gold Fields SA	11.65 38.00	\cdot
st. Foundetion Inv	†1.DO	48.51	Union Corporation	8.30	٠.
st. Hational Industries	11.00	-0.05	Be Seere Deferred	9.00 7.50	
rt. Oil & Gas mboo Creek Gold o Metal ind	#0.18 10.97	+0.01	East Rang Pty	5.80	- ≺
12	+2.11	40 21			-0
ıgalπville Copper ımbjes industries		-0.01.	President Stevn	12.25 15.50	.+0
ken Nill Proprietary	19.24	-0.18	Stillentein	7.75	
iton United Browery.	+1.90		West Driefontein	8.30 47.50	
R §1)	‡1.28	+0.02	Western Holdings	36 20	+
es (G.J.) ns. Goldfields Aust	73.16	-0.61	Western Deep	17.00	
ntainer (\$1)	10.40		AEC1	LS 4.60	
rtain Australio	.71.40	-0.09	AOUICOM	- 2.45	+0
olop Rubber-(50 cent)	10.82	+0.61	Berlow Rand	16.00 3.00	
or-2mlth	+2.75 ·	-0.62	CNA Investments	2.80	_+C
leavour Resources	tZ.13	11	Currie Finonce	1 03	Α.
cersity	\$1.53 \$2.74	+0.81 +0.84	De Seers Industrialt Edgars Consd: Inv	15.86 3.77	0نت
Australia	10.72	-2.61	Edgers Stores	44.50	1,
or Copper	:0.30g	-0.02	Fed. Volkebeleggings	2.26	-0
nings industries beriana Minorale		-0.11	Huletta	13.55 2.80	0 0+∵
es (David)	†1.12	+0.51	LIA		0
nard Oiltals Exploration		+2.02	McCarthy Rodway	0.85.	+0
tramar Minerals		1.06	NedSenk OK Sazzare	3.95 S.10	. 0
ora Emporium	11.65	-8.01 i	Promier Milling	6.05	÷o
W8	†2.70	+0.20		14.50	+0
holes International Broken H'dings (50c)	†1:.60 +1.90	*****	Hand Mines Promeries	1.80 2.80	-0
Search		-0.61	Hembrandt Group	3.90	+0
or Exploration			Retco	0.44	+40

	Kinross	2.55	-0.15
-0.06	Klool	14.60	-0.25 -5.03
	Rustenburg Platinum	3.15	5.03
	31. Helena	17.00	0.50
0.82	Southvest	11.65	-0.05
-0.02 -8.51	Gold Fields SA	†35.00	
	Union Corporation	8.30	
0.05	No Seera Deterred	9.00	-0.75
•••••	Slyvooruitzicht	7.50	0.15
0.01	East Rand Pty	5 SO	-0.30
-0.21	Free State Gaduld	29.00	· · · - 0.50
-0.01.	President Srand	12.25	100
Q. 18	President Steyn	15.50	+0.50
	Stilfonteln	7,75	-5.20
	Welkom	8.30	-0.10
0.02	West Driefontein	47.50	-1.00
8.81	Western Holdings	36.20	+0.20
	Western Deep	17 00	
	INDUSTRIA	ALS	
-0.09	AECI INOUSTRIA	4.60	
-n.na	MORICOIN	2.45	+0.05
0.01	Ansio-Amer. Industrial	16.00	
	Berlow Rand	2.00	-0.15
-0.02	CNA Investmente	2 90	40.10
ы	Currie Finance	1 03	-0.15
0.81	De 20073 Industrial	+15 RG	-0.15
0.04	LOSSIS Coned lov	3.77	
8.0	Edgers Stores	44.50	1,0
50.0	Fed. Volkebeleggings	77.00	-0.05
	Greatermana Stores	2.26	-0.05
-0.11	Huletta	t3.55	-0.05
A = 1	LTA	2.80 -	+0.05
0.51	McCarthy Rodway	2.45	-0.10
2.02	Northern Houway	0.85.	+0.51
	NedSank	3.95	-0.05
0.06	OK Sazzars	S.10	
8.01	Premier Milling Pretoria Cament	6.05	-0.05
0.20 0.02	Pretona Cament	14.50	+0.05
	Protea Heldings	1.80	-0.07 .
0.61	Rand Minso Propartico	2.80	
	Hembrandt Group	3.40	+0.10
	Hetco	0.44	+0.01
0.01	2058 Holdings	T.70	
9.64	SAFFI	2.40	• • • •
0.51 0.61	C. C. Smith Sugar .	0.20	4.
0.01	SA 2reweries	1 47	0.01
0.01	118CF USIS and H. Mile	11.90	5
0.02	Unisse	1.43	+0.01
	101		
0.04	Financial Rand	U.S.\$8	3}
8-Ó1	(Discaunt of	297%)	· ·
		-4,07	
ie 5	premium. Belgion divid	dende e	e otter
50 **	med & Bass Con		
e oth	ated. • Ptes. 500 denomination of the state	1. unless	Other .
unla	W - FB . 500	denom.	MINISTR.

NOTES: Overeses orides exclude \$ premium. Belgion divide withhelding tex.

• IM50 depare, unless otherwise stated. • Pres. 500 denor wise etted. • k. 100 denor, unless otherwise stated. • Fre. 500 denor, unless otherwise stated. • Fre. 500 denor, unless otherwise etted. • Pres. 500 denor, or Cents. • d'Invidend effer scrip issue. • Per share. • Frence. • Gloss div. • A Assider scrip end/or rights issue. • A Atter local taxes, m % tax including United div. • Hom. • Share split. • Iliv. and yield payment. • Indicated div. • Unefficiel trading. • Minerity holders pending. • Asked. • 2ld. • Traded. • Seller. • Assumed, at Edvidend. • Xx Ex etrip issue. • Xx Ex all. • A Interim since increa Union Gas
UntdSiscoe Mnes
Walker Hiram
West Coast Trans



Bankers Trust Int.

Crédit Lyonnais

Deutsche Bank Deutsche Bank

Dean Witter Reynolds

J. Henry Schroder Wagg

Crédit Suisse First Boston Merrill Lynch White Weld

Merrill Lynch White Weld

7,54

4,304

7.98

Borrewers U.S. DOLLARS

Jugobanus Banco Prov. B. Aires

Long Term Credit Bank

TAlexander Howden SCrédit Suisse

Dominion Bridge

Atrican Dev. Bank

SWISS FRANCS

D-MARKS

TWorld Bank

INTERNATIONAL CAPITAL MARKETS

INTERNATIONAL BONDS

BY NICHOLAS COLCHESTER

High yield DMs out of fashion

discovered a yield level which D-Mark equivalent did not, and further 2.7 per cent rise in the early after eight years at par. price of rold (see below) put the attitude of foreign investors towards all currencies into

Two large calibre ranging shots by SNCF and by the World Bank showed the new yield level for prime quality 10-year paper in Swiss francs to be 41 per cent, or a fraction over. This is almost 1 per cent uo on the yield before the recent freeze on new issues in

After the SNCF 12-year issue at 4½ per cent had gone to a clear discount, the coupon of 4s per cent selected for the 12year issue for the World Bank foreign bond issues, for two proved more thon adequate weeks. It seems quite possible 101 on Friday night. Unilever's will be needed, pushing bond 12-year issue at 41 per cent was yields to close to 8 per cent. instantly oversobscribed.

week by indications that the Central Bank was going to hold bonds at 31 per cent. But the Central Bank is rationing new

i Z eri E. .

100 mg 1 - 70

GOLD

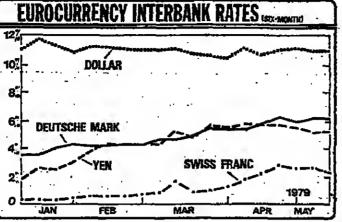
the Council of Europe. Banque was viable for new issues. The Gutzwiller has decided to increase the attraction of its was swarded a two-week rest Swiss franc FRN for Banque cure. The dollar sector picked Exterieure d'Algerie by offering up a little, supported by a investors — as well as the stronger U.S. bond market. A borrower—the right to redeem

> In the D-Mark sector the deterioration in the domestic bond market, where a ten-year yield of 8 per cent on bank paper is now operative, and lack of foreign interest in the bonds on a downward path. The DM 200m EIB 10-year issue with a coupon of 71 per cent opened to an immediate discount.

At the end of the week it was confirmed that the capital markets sub-committee had postponed its monthly meeting. at which it sets the volume of and the bond was trading of that a Swiss-style retrenchment Yet it requires a very bearish The market was beloed last view of the D-Mark by investors to stay away at such a yield. It implea a real return of more

Although prices of U.S. dollar banks still feel that need to bonds moved upwards last keep the investor happy. The week, the primary market is Central Bank is rationing new still only ticking over when and pressure on the currency, foreign hand issues to a total compared with the burst of new Last Thursday the Tresor deissues in April. Dealers did re- cided to close tha domestic Banca del Gottardo hos opted port sustained interest in bond market in an effort to alas, been reflected in the 1 per cent for the rest.

THE SWISS FRANC foreign for a conservative 42 per cent dollar denominated floating rate stem the upward pressure on coupons paid by foreign borbond market last week re-coupon for a ten-year issue for noteo. Kuhn Loeb Lehman, one domestic rates. There is thus rowers floating bonds. The yield of the bouses which reported no suggestion at the moment on the City of Oslo issue floated strong demand from the U.S. ex- that another French franc last December was 7.62 per cent



quickly.

plained that the U.S. investor Eurobond will be floated very had become increasingly aware the yield advantage implicit in the interest rata formula for Euro-FRNo. London interbank rate plus one quarter per cent promises a better yield than the U.S. equivalent of six month Treasury bills plus 1 per cent, currently 111 per cent agoinst

Prices of French franc denominated bonds weakened last week against the background of a higher domestic interest rates

10.9 per cent.

strong fluctuations.

their way into firm bands.

at the time of pricing and has now risen to 7.85 per cent in the secondary market. The yield on the recent Norgest Rom-munalbank bond which was priced three weeks ago was 7.57 per cent, and this has since risen to 7.80 per cent. Such returns remain fairly unattractive when Knwaiti commercial banks ere actively seeking three year deposits and offering interest rates of 881 per cent

• The flercely fought bottle for s mandate from Aluminium Bahrain to raise a \$90m credit has been won by Gulf Inter-national Bank and National Westminster Bank, writes Rose mary Burr. According to market sources the terms are the finest in the current cycle for a orrower from this region. The 10-year loan is expected to carry The Kuwaiti Dinar market is a spread of ! per cent for the still suffering from o surfeit of unplaced bonds. An estimated first five years and i per cent for the rest. 20-25 per cent of the two latest

issues, for Norges Kommunal-bank and Occidental are estimated not to have found Meanwhile, the management group for the first syndicated loan to Sri Lanka is now in place. The six managers are Amro Bank, Bank of Tokyo, Short-term interest rates in Manhattan, Dresdner the Kuwaiti Dinar market have Bank. Grindlays and Lloyds risen quite sharply since the Bank International Manufacend of last year and from week turers Hanover is leading the to week there hove been some eight-year \$50m credit, which strong fluctuations.

carries a spread of I per cent
This lucrase in rates has not, for the first four years rising to

BY PAUL CHEESERIGHT

Investors look towards the old refuge

only true and reliable store of value is a gold bar, or failing lion be put down to concern monthly outtion from L5m that a gold coin. The markets about the dollar. This year the ounces to 750,000 ounces. The have passed a vote of no confidence in the ability of Western leaders to cope with the latest Swiss franc, the Deutschemark batch of problems thrown up and the yen. Gold movements 470,000 ounces. by OPEC oil pricing and supply reflect a more general pre-

In the last month the London gold price has risen by over \$20. On Friday it closed for the second day running at \$256.875 an ounce, after moving up \$6.75 over the week. The closing level in New York was even higher. ot \$259. In both markets prices were at record levels.". There is nothing idiosyncratic \$240 trading range of mid-April

silver. Nor can the rise in hul- back the amount offered at its value of gold bas also been appreciating in terms of the

Fearo about the inflationary impact of the nil price rises imposed by the producers, not to speak of those from oil companies os they wrestle with the shortfall in supplies, are widespread. They provide the under-iving cause for the builton market'o move out of tha \$230-

International Monetary Fund has decided to offer 440,000 ounces a month instead of

Nor has the market seen much from the Soviet Union this year, so that unless there is an unaccustomed hurst of selling it is probable that gold from this quarter during 1979 will be substantially down on · The effect is to weaken the

possibility of an overhang of supplies on the market, always industrial assuming . that

tionally ahead of last year,

to the level of 1978, and the aggressively. over-subscription at last week's U.S. Treasury auction showed there are plenty of willing buyers for bullion on offer, then it would suggest that the gold price will continue to rise. The favourite projection is \$300 hy the end of the year.

In this scenario the inflationsupported push towards higher prices jolts a market where supplies and demand are evenly balanced. But it is possible to tion, but keep an eye on the argue that this balance will be economic indicators as well.

If Western governments meet

ACNOTRADE.INDEX AND YIELD

But the push to buy gold bas last year's levels, because there the oil price-induced inflation week for gold bulls. The condimetals have been at peak levels coincided with a time of is little flexibility in mine pro- with a series of deflationary meations have been just right to as well—demand has been reducing supplies to the mar-duction. Output from South sures—interest rates have been advocate the argument that the strong for both pistinum and ket. The U.S. Treasury has cut Africa is running only frac-rising in Europe—then they creote the historical conditions If investment demand holds up . where gold tends to perform less

> And agoin, if the seasonally slack jewellery demand in the summer is followed through with a reluctance to buy at high prices in the autumn, then some of the underpinning of the speculative froth on the top of tha market would be eroded. Flattening out of the U.S. economy would tend to reduce jewellery demand anyway. The moral for the investor is that be must not only match infla-

1989 1989 1991 1984 1984 1989 Voest Alpine Unilever Swiss Bank Corp. Crédit Suisse Sumitoma Comer UBS Skyowa Hakko Agayo Banca del Gottardo Council of Europe anque Gutzwiller, Kurz Bungener, Soditic Banque Ex. d'Algerie "Not yet priced. \$ Final terms. "

1† Registered with U.S. S BY JOHN WYLES U.S. BONDS A policy guessing game

CURRENT INTERNATIONAL BOND ISSUES

Price

Av. life

1983/86

1989 1991

1993 1999

1987

7989 1986

BOND PRICES staged very as it may seem. Most certainly solid advances in New York last week in the midst of usual attempts by investors and analysts to forecast the outcome the beginning of April which drastically slowed auto output, and by the steel bauliers strike of tomorrow's meeting of the Federal Reserve's Open Market

Committee (FOMC). Since the committee is not scheduled to meet again until July 11, tomorrow's discussion could con-celvably be setting the Central Bank's interest rate strategy for some seven weeks. But it is so difficult to read the economy's current course that developments over the next few weeks could quite easily prompt the committee to make an ad

By the end of the week the bond market had decided that there were few distinct pressures on the FOMC to raise tha Fed funds tarket immediately. This conclusion is drawn principally from last week's govern-ment figures on industrial production, bousing starts and

boc review before the July

personal income in April. The broad message of all of these was that an increasingly flabby economy could conceivably be slowing to a halt. Industrial output slipped 1 per cent in April, the sharpest decline in more than four years. Bousing starts fell 2.1 per cent from March to an annual rate of 1.75m units while personal income grew by o meagre 0.3 per

industrial outont and personal income were severely hit by the perhaps raising tha upper target of the funds rate operating band 10 day truck drivers' strike at

later in the mouth which disrupted steel production, Housing starts were probably slightly affected by heavy rains and floods in the mid-west. to determine his view. But the indications of con-

tinuing weakness underpinned the week's advance in bond prices which pushed Treasury notes and honds up by around 14/32 and medium and long term corporates up by 1-1. Money market yields generally held steady or fell slightly, particularly on six month and one year obligations. Among recent bond issues,

for example, General Motors Assistance Corporation's 25year triple A rated debentures gained on the week to yield 9.72 per cent. While the yield on the Treasury 84 bonds due in 2003 dropped from 9.21 to

9.11 after a price increase of I during the week. Only the increase in money supply. M1 by \$900m and M2 by \$1.8bn, served to cloud the and M2 have now risen at an June will be: 1 Slow—similar to this year's first and 14.1 per cent recognition. 14.1 per cent respectively. Most

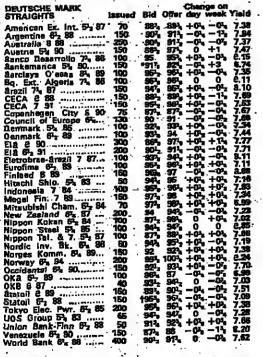
Last week the Argus Research

Corporation produced a useful could determine the outlook for interest rates. They were set out in the form of a test which allows every amateur forecaster

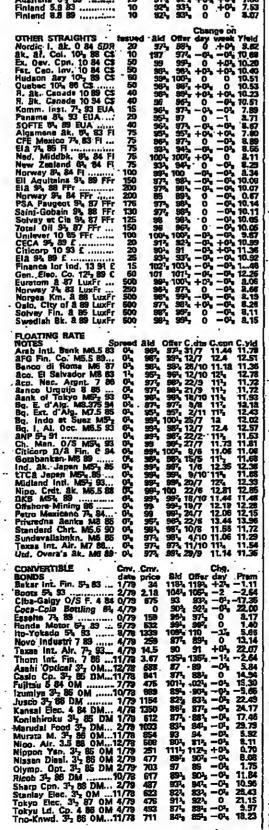
Add up the numbers corresponding to your answers to the questions below. If your score is six or less, you expect declining interest rates. If your score is 7-8, your forecast calls for stable interest rates. A score of 9 or bigher means you think rates will soon be rising. A. A recession or downturn in husiness activity will begin: 1. before summer 2. In the second balf or early 1980 but real growth remains anaemic 3. In the second half or early 1980 but real growth booms first. B. In the course of the next few months the overall rate of inflation will: 1. Decline 2. Stay about the same 3. Increesa. C. Again for the next few months, the U.S. dollar's value in the foreign exchange markets will: 1, Appreciate 2. Re-Wall Street economists expect Fed'a long term objectives 3, the FOMC to bold the funds Rapid—similar to April'a per-

FT INTERNATIONAL BOND SERVICE

U.S. OOLLAR		Change on	
. etraights	Issued &	d Offer day week Yiel	d
Avco 0/5 Cap. 109	87 40 : 9	74 973 0 0 10,7	8
Bayer Int. F. XW 7	89 200 8	3 ³ 83 ⁷ 0 0 9.1	
CECA- 93 84-99			
Coneda B. 83	400 9	7, 98, 0 +0, 97	
Canada 94, 98	350 9	6 964 0 +04 9.8 84 88 +04 +04 10.4	
Complete Jav. E. 103	91 40 9	7 974 +04 +04 9.1	
Ela.57 98	125 9	21 53 0 -04 10.2	2
E18 94 89	150 9	61 981 0 -01 10.1	2
Ela B4 99	100 9	83 987 +03 0 10.2	28
Export Dv. Cpn. 9.8	5 84 150 ,10	03, 1003, 0 +03, 9.9	
Export Dv. Cpn. 94 Exsportinans 8 89 Fioland 94 85	94 100 9	7. 97. 0. +0. 9.8	
Eksportinans 8 89		53, 963, 0 +03, 8.7 73, 973, 0 +03, 10.0	
Figland 91, 85	50 8	g 482 n +02 9 9	25
Gould Int. Fin. 93	SE 50 9	9 997 0 0 9.9 63 977 -01 0 9.8 64 1003 +03 +04 0.9	ñ
Hospital O/O B 83	20 - 17	63 974 -04 0 9.8	6
Hudson Bay Co. 10	94 50 10		
Ital Finance 94 90	30 ,9	2 93 0 0 10.8	8 .
Ital Finance 10% 93		67, 967, 0 0 11.0 67, 97 0 0 10.0	ž
III Antillas 913 89	75	67 87 0 0 10.0 57 367 +07 +07 0.6	3
J. C. Penney 81, 8		7 97 0 +0 9.9	ž.
Manitoba 91 89 New Brunswick 91	84 75 3	P. 97' 0 +0' 10.0	
Newtopridland 10 9	.50 - 9	94.1005.0 +04.10.0	
Horsk Hydro 94 94	50 9	47 95% 0 +0% a.s	8
Morway 94 84	130 . 3	84 984 -04 -14 10.4	1
Nova Scotis Pwr. 9 Portland 10 84	88 50 3	7, 87, +0, +0, 10.1	
Portland 10 84	50 9	74 974 0 +04 10.5	
Quebec Hydro 10 9		57, 56 -04, 0 10.5 24, 524, 0 -04, 10.6	
Redland Fin. XW 91 Sears Roebuck 9 8		7' 90' +0' +0' 0.7	ž
Stockholm - 9% 94		8 99 0 0 10.1	3
Sweden 94 89	100 9	81 981 +01 +01 0.9	9
Sweden 94 89	200 - B	81 - 281 +07 +04 10.0	
UK 8's 93	160 ,9	374 342 +04 -04 3.8	4
DEUTSCHE MARK		d Offer day week Yiel	
STRAIGHTS .			
American Ex. Int. 5	287 70 8	83 +04 -04 7.3	8
Argentine 612 88		0% 91% -0% -1% 7.8	4
Australia 8 88	250 . 9	04, 914, -04, -04, 7.3	5.
Auetre 54 90	86 100 S	5 95° +0° -0° 6.1	É
Sanco Desarrollo 74	100 IUU . 3	5. 55% TUB TUB C. A	-



World Bank 84 88	400	90-2	914	-0%	7.62
SWISS FRANC STRAIGHTS	tesued	Bld O	ffer da	enge on y week	Yield
Acess 52 89	40	941	02% — 0 94% — 0 87 — 0	½ - ውኔ ዜ + ውኔ ዜ + ውኔ	4.02 4.76
Australia 3½ 93	250 250	881	9874 — C	μ _α +04.	4.30
Council of Europe 44	100	957, 1	96°4 — C	4 -04	4.97
Bankamerica 3°, 93 BNOE 5 88 Denmark 4°, 90	100	1013, 1	00% +0	+04 4 +04 5 -04	4.87
F. L. Smidth 42 89	25·	99 8	887 TO	4 +0% 4 +1 4 0	4.57 4.58
ICI Fin. NV 34, 94 Melayala 44, 30	80	957	965 +0	4 +04 4 +1 4 +04 +14	5.72
New Zealand 31 94		931	337 -0	Pa +0%	4.50
Sandvik 4 90 Boain 4 81 Vianna 4 93	100			4 +13 4 +13 4 +0 4 +0 4 +0	
World Bank 44 93	250	95	16rt —0	P - 0 .	4.72



* No information availableprevious day's price. † Only one market maker STRAIGHT BONDS: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units ex-cept for Yen bonds where it is in billions. Change on week= Change over price a week earlier. FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. M=Minimum coupon. Cdte=Date next coupon becomes effective. Spread =Margin above six-month offered rate for U.S. dollars. C.cpo= The current coupon. C.yld=Tha current yield. CONVERTIBLE BONDS: Deconvertible BONDS: De-nominated in dollars unless otherwise indicated. Chg. day = Change on day. Chv. date=First date for conversion into shares. Cnv. price=Nominal amount of hond per share expressed in currency of share at conversion ruitency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acoulying shares via the bond over the most recent price of the shares. The list ohows the 200 latest international bonds for which an adequate occordary market exists. adequate occondary market exists. The prices over the past week were supplied by: Bondtrade; Kredietbank NV; Credit Commercial de France; Credit Lyonnais; E. F. Hutton Services SARL; Commerzbank AG; Deutsche Bank AG; Westdeutsche Landesbank Girozentrale; Banque Internotionale Luxembourg; Krediet Bank Loxembourg; Algemena Bank Nederland NV; Pierson, Heldring and Pierson; Credit Sulsse/Swiss Credit Bank; Unlon Bank of Switzerland; Akroyd and Smithers; Bankers Trust Inter-Smithers; Bankers Trust Inter-national; Banque Francaise de Credit International; Citicorp International Bank; Daiwa Europe NV; Delter Trading Com-Europe NV; Delice Trading Company; Dillon Read Overseas
Corporation: EBC; First Chicago;
Goldman Sachs International
Corporation; Hambres Bank: IBJ
International; Kidder Peobody
International; Merrill Lynch;
Morgan Stanley International;
Morgan Stanley International; Brothers International, Samuel Bank; Strauss Turnbull and Co.: Sumitomo Finance International: S. G. Warburg and Co.; Wood © The Financial Times Ltd., 1979. Reproduction in whole or in part in any form not parmitted without written consent. Data supplied by Inter-Bond Services (a subsidiary of dataSTREAM International). Closing prices on May 18

Typically, however, all is not rate target steady at 101 per formance. ... NEW ISSUE U.\$ \$75,000,000 anditionally guaranteed as to payment of principal, prem Province de Québec S. G. Warburg & Co. Ltd. Credit Suisse First Boston Limited Kredietbank International Union Bank of Switzerland Group (Securities) Limited Westdeutsche Landesbank Commerzbank Aktiengesellschaft Girozentrale Banque Nationale de Paris Lévesque, Beaubien Inc.

A. R. Ames & Co. American Express Bank Bache Halsey Stuart Shields Bank für Gemeinwirtschaft The Bank of Tokyo (Holland) N.V. Banque de Paris et des Pays-Bas Banque Internationale à Luxembourg S.A. Banque de l'Indechine et de Sues Bonque de Paris et des Pays-Bos (Sciese) S.A. Benque Populaire Suisse S.A. Luxembourg Bayerische Hypotheken und- Wechsel-Bank Banque de l'Union Européenne Bayerische Vereinsbank Blyth Eastman Dillon & Co. Christiania Bank og Kreditkasse Citicorp International Bank Compagnie de Ronque et d'Investissements (Underwriters) S.A. Compagnie Monégasque de Banque . Crédit Commercial de France Crédit Industriel et Commercial antal Illinois Crédit du Nord Richard Dans & Co. DG Bank Dewasy & Associés International S.A.

Credit Soisse First Boston (Asia) Crédit Industriel d'Alsace et de Louvaine Den Danske Bank of 1871 Creditenstelt-Bankverein Den norske Credithenk Dresiner Bank Dillon, Read Overseas Corporation Drexel Burnham Lambert Euromobiliare S.p.A. Effectenbenk-Warburg Robert Fleming & Co. Girozentrale und Bank der Österreich Antony Gibbs Holdings Ltd. Istituto Bencerio Sen Paolo di Torino Jardine Fleming & Company Kleinwort, Bernon Legard Frères et Cie Lloyds Benk International London & Continental Bankers McLeod Young Weir International Merck, Finck & Co. Merrill Lynch International & Co. Manufacturers Hanover Mitsubishi Bank (Europe) S.A. Somuel Monteen & Co. B. Metzier seel. Sohn & Co. Morgan Greniell & Co. Nippon European Bank S.A. The Nikko Securities Co., (Europe) Ltd. Nomura Europe N.V. Orion Bank Österreichische Länderhenk Paine Webber Jackson & Cartis Securities Ltd. PKhanken Postipankki Pierson, Heldring & Pierson N.V. Pitfield Mackey Ress Privathenken Richardson Securities of Canada (U.K.) N. M. Rathschild & Sons Rothschild Bank AG Serve Securities Co., Ltd. Schröder, Mincheseyer, Henget & Co. J. Henry Schroder Wage & Co. Skandinaviska Englide Benken Smith Barney, Harris Uphom & Co.

Société Benceire Berchys (Suisse) S.A. Société Générale Société Générale de Banque S.A. Société Privée de Gestion Financière et Foncière

Strans, Turnbull & Co. Sunitomo Finance International Sperbenkernes Bank Trade Development Bonk Swiss Bank Corporation (Overseas) Svenska Handelshanken United Oversess Book S.A. Union Benk of Norway Ltd. United Overstes Bank Ltd., M. M. Warburg-Brinckmann, Wirtz & Co. Vereins- und Westbank J. Vontobel & Co. Verband Schweizerischer Kantonalbanken Williams, Glyn & Co. Yamaichi International (Europe) Warburg Paribes Becker

How to reduce

your company's

fuel bill

Use the massive

hidden extra in

your factory or

process waste

Increase in optimism measured at 10 points

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

a sharp increase in optimism for pessimism by 11 per cent ABC1 women. expressed by consumers quest of pessimistic consumers in fidence, published today. .

10 percentage points to show a positive value for the first time in over a year. The survay, carried out just after the election showed an increase from 20 to 28 per cent in those consumers expecting conditions to improve, while pessimistic consumers fell from 21 per cent to 19 per cent.

This gives a positive index of g per cent, compared with minua 1 per cent in April and minus 27 per cent in January.

improvement in con-confidence is quite clearly shown to be due to optimism over a Conservative victory.

'Some 50 per cent of the consumers who expected conditions to improve gave the new Con-servative Government as the reason. Earlier this year a similar proportion could only find optimism from the somewhat negative attitude that things must improve."

But over the past six months was increasingly apparent from the survey that there was a huild-up of consumers looking for a change of government. From the 9 par cent in Decem-her who gave this as a reason. the reason steadily gained in popularity to 36 per cent last month—before the election followed by this month's 50 per

But while the new Govern-ment is the most important factor in inspiring confidenca in the future, it also provides the main reason for pessimism. More than one-third of consumers cited the Conservative victory or its likely policies as the main reason wby things

reason cited by 36 per cent. The index of consumer confidence for May has jumped by fact that the inflation rate is also had interesting repercus-41 per cent last month.

> thare has been very little differ- over 55s. ence between the social grades, there is now a very substantial increase in confidence among ABC1 men and women (professional and executive). Future confidence among ABC1 men has jumped 30 per cent—from minus
> 3 per cent to plus 27 per cent
> —to become the first positive
> index for ABC1 men in six
> South showed a 17 per cent inmonths. Among ABC1 women, the increase was less dramatic at 23 per cent but still substan-

In stark contrast C2DE (manual grade) men are less confident than last month and are now the least confident subgroup where last month they were the most confident of all sub-groups. C2DE women are more confident than last month, was interviewed.

THE CONSERVATIVES general could get worse. From a change although the 7 per cent increase election victory brought about of government being a reason is small in comparison with

It is clear that the big overall tioned in the latest Financial April, the reality of a Con-increase in future confidenca is Times survey of consumer con- servative victory became the concentrated mostly in the ABC1 social grade.

The Conservative victory has creeping upwards again, the sions among age groups and threat of rising prices was seen gaographically. While the inas a reason for pessimism by dex has risen by 6 and 7 points only 22 per cent, compared with 35-54 age groups, it has risen While in the past few months by 21 percentage points for the

> Last month the over 55's were the least confident of the three age gronps; now they are the

most confident. As might also be expected because of the General Election variations in the index. While crease in confidence, and consumers in the Midlands and Wales an 8 per cent increase. the index is actually down 4 per cent in Yorkshire and the North-

The survey was carried out between 3 and 10 May by the British Market Research Bureau on hehalf of the Financial Times. A sampla of 1,018 adults

407 ALL ADULTS PAST PROSPERITY 602 1974 1975 1976 1977 1978 1979

engagements during the week. The Board meetings are mainly for the purpose of considering dividends and official indications are not always available whether dividends concerned are interims or floals. The sub-divisions shown below are based mainly on last fioals, the party year's timetable, TODAY

BOAPD MEETINGS-

tland Cas. 6.053p

nsport and Tr Op. (2r.) 6.986 1.088¢ ma Rink 3.215¢

WEDNESDAY, MAY 23 erchants' Hall, 30. George Square

Send today for full details about Consumat, nal Glass



Wortley Road, Rotherham, South Yorkshire S61 1LT. Tel: Rotherham (STD code 0709) 76701 (5 lines) Telex: 54111

Chosen because we lead

Waste has incredible energy potential-harness it

Your current waste, and

and you get fast, cheap

steam on tap, instantly,

supplies of hot water and

the Consumat incineration

system, could open up a

vital new fuel source for

the future.

your company now and for

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial

COMPANY MEETINGS—
Automated Security, 25-26. Hampstead High Street, NW, 12
Hawker Marris, Argory Works, Soencer Street, Birmingharo, 17
Richards and Wallington, The Midland Hotel, New Street, Birmingham, 12
Wolsteeholme Rink, Springheld Works, Springheld Road, Sharplea, Bpiton, 12 BOARD MEETINGS

OIVIDEND & INTEREST PAYMENTS— pricultural Mortgage Con. SpcDb, 1879-

London 549x 1976-79 2-apc. or 1979-61 3-lard 1978-61 3-lard Indan Ind. D 6850 her Marris 6 779 pers 3.5p her July 6 700-61 11p her Foresty Co. of London 2.1p her Marco 1.11p her Foresty Co. of London 2.1p her Marco 1.11p her Marco 1.11p her Marco 1.11p her Marco 1.11p her Marco 1.12p her Marco 1.1p her Ma 21:00 2003-05 £5.1388 Cpn. 2.9p

i James). 146. Oxford Street. W. Midlands. 2.30 Ests., 8. Bolton Street

Stadium estanda intni. 101.

er 124pc 1985 68.0417.

(James) 0.843p
Stapc Red. 1978-80 25pc
Senans Pubber 1.8p
Meat House 0.2657p
ds and Waltineton lods. 3.37885p
ds and Waltineton lods. 3.57885p
ds and Waltineton lods. 3.650

GOARD MEETNGS-

TIVIDENO & INTEREST PAYMENTS-BPM A and 6 Ord. 1,0625p Bird and Cp. (Africa) 1,19

SIMCO MONEY FUNDS Saturn Investment
Nanugement Co. 1 ld.
66 CANNON STREET EC4N 6MF

7 day % p.a. 11.760 11.769 11.748 11.565 % p.a. 11,884 11,871

11,829

Bamfords, Balance Street, Uttoxeter, 11
Bendord Concrete Machinery, The Cape,
Warrist Street, Maldenhead Eurocrest
functed, Sarles, Maldenhead Eurocrest
functed, Stroppeohanners Road, Maldenhead, Bertist, 11,30
Breedpo and Cloud Hill Lima, Breedpn-onthe-Hill, Lakeatershire. 17
Home Charm. The Abercoro Rooms, Great
Eastern Hotel, EC., 10,30
Horizon Midlands, Chamber of Industry
and Commerce, 75, Harborne Road, Birminghem, 11,30 outd. Invs., Connaught Rooms, WC. Shippings Trades House, Glassford et, Glassow, 12 house, Glassow, 12 hotel, Liverpool et, Canadian inv. 29, Charlotte are Edinburgh, 10,45 pp. 10,000mm, Victoria, 10,45 pp. 10,000mm, Victoria, 10,45 pp. 10,000mm, Victoria ry (Horace) 0.38318p chegoer 124pc 1991 63pc ketaed (James) 0.442p ndoo and Strathchyde 1st, 0.5p oline 5.658p utbampton iske of Wight 7.75p. ertrite Eng 1.5p eastry 134pc 1993 63pc THURSDAY, MAY 24 10. The Dorchester, Park Lane, COMPANY MEETINGS— ird (William), Central Hotel, Gordon treet, Glasgow, 12 Street, Glasgow, Zentral Hotel, Gordon Street, Glasgow, Mandeville Road, Ayles-bury, Bucks, 12 tweed, Chamber of Industry and Com-merce, 75, Harborne Road, Birmingham, 12.

ount (G.), Connaught Rooms, WC. 12 and Jackson Inthi., Chartered ountants, Hall, Moorgate Hall, EC. BOARD MEETINGSand Commercial Inv. Tst., 8. op Piece, 5W, 12 Schweppes, Grosvetor House, Finals: Affled Leather Industries Kayser Bondon Macanie (London)

cottish lmv, Trust
Devidend & Interest Payments—
besom Frontier Tea Pid. 3 15p
taker Intul., 15cts,
tarton and Sons. 1.9703p
tenford Concrete Machinery 1.35781p
iffurcated Eng. 2.0324p
reedon and Cloud Mill Lime Works 3.66s
atalia 2.79069
larence Hotels 6pcpt. 2.1pc
lorada 3.21p
reytoa Cons. Tst 20
aton Con. 5.25cts,
schoquer 1.5pc 1989 6 l-pc .21p Cont. Tst 2o p. 56.25cts 1.3pc 1989 6 pc Metal 2.345375p Espanded Metal 2.3453759
PC Finance 1.19
Gen, Investors and Trustees 2.8p
Geater London 12-10c 1982 6 Luc
Harris and Sheldon 1.7419
Harris Queensway 4.5p
Housslow Ver. Pate, ped, 1982 £6,370
Hunt and Moxrop (Middletan) 0.3575p
Jersey Electricity ADrd. 8p
Kent IM, Pt. 0.73p
Lpw (Wm.) 2.19
Metalrax 0.903p
Newman-Tonks 1.50
Qil Explim. 2.3535p
Photo Me Inthi. 2.211p
Rotork 0.66p

SATURDAY, MAY 26 DIVIDEND & INTEREST PAYMENTS-Clifford's Dateles Ord, and A 2.1286 Gasket I Bactup S. DSSp Grampian Higgs. 2.9575p GKN 11 17914p Southend-on-See 12pc Red. 1987 6pc Southend-on-See 12pc Red. 1987 6pc Southend-on-See 12pc Red. 1987 6pc

INSURANCE BASE RATES

† Property Growth † Vanbrugb Guaranteed 10.12%

Bovis Construction Limited

Telephone: 01-422 3488

omas) 2 6100 ate Treasury 1983 £4

FRICAY, MAY 25

The ingenious builder

ERRATA

The Investment Trusts Net Asset Values Table. published on Friday, 18th May. Two figures were transposed and should have been as follows:

Valuation Monthly: Jardine Japan Investment Trust Col. 1 should read

London & Holyrood Trust Col. 1 should read 40.6.

BANQUE OCCIDENTALE

pour l'industrie et le commerce (Suisse)

takes pleasure in informing you of the transfer of its offices, as from 21st May 1979, to

> **RUE DIDAY 6** 1204 GENÈVE

New Phone: 022/21 12 55

BUSINESSMAN'S DIARY

UK TRADE FAIRS AND EXHIBITIONS

Title London Furniture Show (01-385 1200) Data May 20-24 May 31—24 International Pulp, Paper and Board Machinery, Exhibition and Conference (01-408 2104) London Building Products and Services Exhibition May 21-24 (01-540 1101) Chelsea Flower Sbow (01-834 4333)

May 22-25 The Midlands Breadhoard 79 (0822 4671)
USSR National Exhibition (01-637 2400)
Royal Bath and West Agricultural Show May 23—26 May 23—June 10. May 30—June 2... Walpadex 70 (0782 314429) Print Fair '79 (01-253 9355) British Carpet Trade Centre Fair (01-236 0913) June 12-14

June 13-23

Olympia Royal Hospital, Chelsea Bingley Hall, Birmingham Earls Court
Shepton Mallet
Conard International, W6
Royal Lancaster Hotel, W2 London, W8 Grosvenor House, W1 Antiques Fair (01-499 6363)

EXHIBITIONS

OVERSEAS TRADE FAIRS AND May 19—22 International Accessory, Machinery and Materials Fair for Furniture Production (01-409 0956) Tennis and Active Sports Show British Machine Tools Exhibition and Seminar May 21—26 (01-215 7877)
International Trade Fair for Machinery and Equipment for the Wood Industries (01-651 2191) May 23--29 May 23—28 International Gift Fair
May 24—28 International Fair of Textile Ready-to-Wear (031 222366) World Inland Waterways and Ports Development Exhibition (St. Albans 63213) Frozen Food Industries Exbn. (01-486 1951) May 28—June 1... Strasbourg Ad-British Energy Exhibition (021-705 6707) International Transport Exhibition (IVA 79) June 6—16 June 8—July 1...

International Transport Exhibition (IVA 78)
(02013 4450)
International Foundry Fair (01-409 0956)
33rd International Aeronautics and Space Exhibition (01-439 3964)
International Technical Goods Fair (01-215-7377)
Advanced Communications Exhn. and Conference International Exhn. and Congress for Matallurgical Equipment and Technology (01-409 0956)
Chemical Engineering Exhibition and Congress June 9—17 June 10—19 June 16—20 June 16—22

Connaught Rooms, WC2

Seonl

Hanover erona Thessaloniki

Peking Hamburg

Paris:

BUSINESS AND MANAGEMENT CONFERENCES

Current University of Bradford Management Centre:
Product Management (Bradford 42299) (until May 25) 10D/Tavistock Institute: International Workshop Rethinking and Planning for Organizational Effectiveness (01435 7111) (until May 26) ESC: International Micro-Electronics in Education Congress (057282 27711)

IPM: Selection Testing 1 (01-387 2844)

The Institute of Chartered Accountants in England and Wales: Financial Management May 21-25 May 21-25 (01-628 7060) RosPA: Occupational Safety and Health Conference and Exhibition (021-233 2461) IPS: Logistics of International Transport Move-ments (Ascot 23711) Inst. Mech. Eng.: Steam Plant Convention on making a steam plant pay (01-222 7899)
Management Centre Europe: Peter Drucker Royal Society for the Prevention of Accidents: Occupational Safety and Health (021 233 2461) CBI: Japan Export 79 (01-930 6711) CALUS: Introductory Statistics for Surveyors (0734

861101)
Oyez-IBC: Dealing with Government Contracts
(01-242 2481) May 23 Junior Chamber of Commerce: Basic Exporting Techniques (01-623 7500) Staniland Hall Associates: UK Business Prospects **May 23** 1979-80 (01-359 6054)
Practising Law Institute: Transnational Corporate
Conduct (01-839 1233) May 23-24 CCC: Efficient Use of the Fidic Contract (01-222 6362)

ASM: Improving Draughting Techniques and Methods (01-365 1992) European College of Marketing and Marketing Research: Alds to International Marketing (Nuneaton 87161)

BIM: The Art of Managing Your Departmen (01-406 3456)

May 27—June 1... ICHCA: From Raw Material to Finished Products (01-528 3611)
ASM: The Reality of Added Valua Sharing May 30

(01-38) Thames Valley Regional Management Centre: Systems in the U.S. (01-486 8377)

Heaton Mount, Bradford

Lucerne

Hilton Hotel, W1 Whites Hotel, W2 High Wycombe

Metropole Centre, Brighton Kensington Close Hotel, W8 Majestic Hotel, Harrogate Stockholm

Metropole Centre, Brighton Tothiki Street, SW1 Gloucester Hotel, SW7 The Inn on the Park, W1

Monksdene Hotel, Harrow Hilton Hotel, W1 Pall Mall, SW1

Copenhagen RAC Club, SW1 University of Birmingham Inn on the Park, W1

Parliament Street, SWI Hilton Hotel, Athens Royal Garden Hotel, W8

Heisinki Washington Hotel, W1 Holiday Inn, Slough

Inter Continental, W1 Holiday Inn, NW3

Copenhagen

COMMONS—Debates on various topics hefore House adjourns for Spring Bank Holiday.

in Britain

BRITISH BANKING 1979" is the title of a new compre-hensive guide to all banks operating in the UK. It summarises the laws affecting banking in Britain, and analyses the banks into 14 different groups with their appropriate hanking

lications, 28-29 Chancery Lone,

Sealink's cheap family trip

SEALINK UK is offering families with children cheap five-day crossings with a car during the summer balf-term on its Normandy routes — New-haven to Dieppe and Weymouth to Cherbourg. Available until June 11, the

children. The fare is £60. An extra adult would cost £12 return, an extra child £7.50.

PO parcels boom BRITAIN'S do-it-yourself parcel mail service is proving a big success, the Post Office reports. The service, under which up to a weight of 22.5 kg with

This announcement appears as a matter of record only.

Istituto per la Ricostruzione Industriale

Medium term financing

Managed by -

Chemical Bank International Group **Irving Trust Company**

Marine Midland Limited

BankAmerica International Group Manufacturers Hanover International Group **Morgan Guaranty Trust**

Company of New York

Seattle-First National Bank

Provided by Chemical Bank Irving Trust Company Marine Midland Bank Seattle-First National Bank

Republic National Bank of Dallas First Pennsylvania Bank N.A.

National Bank of North America Republic National Bank of New York Manufacturers Hanover Trust Company Morgan Guaranty Trust Company of New York The First National Bank of Boston Harris Trust and Savings Bank Provident National Bank The Riggs National Bank of Washington DC

Bank of America NT & SA.

Agent

Chemical Bank

Financial Advisors to the Borrower Banca Commerciale Italiana

Lehman Brothers Kuhn Loeb

April, 1979

debate on the Queen's speech (the economy, pay and prices). LORDS—Final day's debate on the Queen's speech (foreign affairs and defence). WEDNESDAY COMMONS—Debate on motion that House should adjourn from May 25 to June 11 for Spring Bank holiday. Debate on Welsh affairs. LORDS-Debate on the desirability of increasing the effective power and influence of European Parliament

This week's

business in

Parliament

COMMONS — Resumed debate

on the Queen's speech (indus-trial policy and employment).

TOMORROW COMMONS - Conclusion of

when it is directly elected.

THURSDAY

COMMONS — Kiribati Bill second reading (The Gilbert Islands will assume the title of Kiribati on becoming a republic within the Common-

LORDS-(11 a.m.). Motion to approve Pool Competitions Act 1971 (Continuance) Order 1979. FRIDAY

Guide to banks

recognition.
Financial Research and Pub-

scheme offers a return crossing on either route, or outward on one route and return by the other for two adults and two

parcels going to the same destination, has won 53 contracts. This involves 60,000 bags of parcels a year. The service was introduced last

U.S. \$200,000,000

FINANCIAL TIMES SURVEY

Monday May 21 1979



Refurbishing and Renovation

The emphasis this decade on modernising buildings instead of replacing them as a matter of course is a natural consequence of mounting economic pressures. It is often cheaper and quicker to provide commercial premises and homes by this means, and it has created a thriving sector for the industries involved.

A policy makes

ide to be sense

By Michael Cassell

SINCE the start of the 1970s Britain bas witnessed a remarkable rise in the amount of reforbishment, a natural consequence of mounting economic pressures and the growing preoccupation with conservation.

The skills and resources improving the nation's existing stock of buildings have rarely been more fully utilised and the badly-needed business for a construction industry which had almost despaired of any revival

The philosophy surrounding. refurbishment bas never made more sense and its application now extends to every type of huilding, from fashion stores to nower stations and palaces. hotels and banks to office blocks

Few contractors today can afford to ignore the refurbish- site and precious little attenment market and even the largest operators, more used to civil engineering contracts, have spawned specialist building work' works departments in an "In the al

;triale

attempt to take a share of the

Among the best known refurb-Ishment specialists are companies such as Trollope and Colls, Ashby and Horner Ashby and Horner, Marsball-Andrew (now part of Norwest Holst, which is itself active in the field), Higgs and Hill, Wates, Bovis and Taylor Woodrow, with countless other contractors helping to make up a thriving sector where prospects for a cootinuing high rate of work look good.

The boom in refurbishment really began after the property speculative development came to a grinding halt and people began to take a long, hard look at alternative ways of providing and securing modern industrial and commercial premises.

Many of the arguments for refurbishment existed long before the property market crisis, but there is no doubt that it brought them more clearly into focus than ever before,

The outstanding advantage of modernising an existing build-ng must be the time factor involved. As Brian Hill of Higgs and Hill puts it: "The potential for refurbishment work has been encouraged by a greatly planning system which makes it impossible for any business to react quickly to increased demand for its services or products.

"For too long, we have been preoccupied with the rate of productivity on a construction tion has been paid to speeding np the off-site activities which form a vital preliminary to

Improvement in this aituation, then the ability to take an up to modern standards, without planning obstacles surrounding new construction work offers

Delays

modity of them all."

The inordinate delays ln obtaining planning permission for new development, where It is possible, have just been forcefrom Slough Estates, which for the second time in three years has produced an analysis of the costs and time taken to construct a simple industrial building in seven countries.

major opportunities to save time—the most expensive com-

As in its earlier report, Slough Estates says the total time that elapses from the conception of a factory developmeet to ita completion is considerably longer in the UK than in all the other countries considered. There is no reason to suppose that the pattarn for other types of new development is significantly different and in many cases it could be even

Though some of the delays are put down to the traditional design process and pricing techniques, the difficulties in obtaining planning permission are picked out as one of the greatest of all constraints.

The report shows, example, that while it took at most six weeks to obtain all the necessary development permits for new buildings in Canada, Belgium and the U.S., the time span for Britain was no shorter than 35 weeks.



Restoration of the Opera House at Buxton, Derbys, is among the refurbishment contracts won recently by **Bovis Construction**

at least partially, one major, and very costly, barrier. But there are several other potentially major advantages for refurbishment and for the company which faces pressure from staff for better working conditions and which realises that pressure on rents makes previously unused or poorly used

space of potential importance. well wish to secure modern premises while having no desire to leave an area or a specific associated. In addition, one of the strengths of refurbishment is the specialist contractors' ability to carry out work while the

chance, therefore, to overcome, premises — whether commercial or industrial - are still very

The problems of carrying out a full-scale refurbishment contract - which may entail stripping a building, in phases, down to its shell and, eventually, leaving it rebuilt and fitted with new carpets and furniture while the premises remain the centre of business activity, can Location is a prime con- be immense. However, more sideration and a company may and more businesses believe the be immense. However, more option is an attractive one and in well-established centres there is often very little alternative. Refurbishment cannot always be the answer, bowever, and there is a long list of factors affecting costs which have to be a roof already over them than

which the contractor and client will be primarily concerned. ccess to a building and facilities for loading and unloading materials in densely-developed area important considerations.

Among others are the condition of the existing building, the load factors it will withstand. whether it is currently occupied nr not, the feasibility incorporating metric standards in premises built to imperial measurements, the amount of detailed planning done amount of money to be spent on services—air conditioning alone ean now easily add £5 a sq ft to a project's total cost,

Sucb a wide variety of determining factors ensures that the cboice between refurbishment and complete rebuilding is a highly individual one and it is impossible to draw any broad conclusions on the respective total costs.

Re-utilisation of an existing site and building saves land acquisition costs and time but has to be remembered that cost of refurbishment itself can be very high-employing as it does specialist labour and invariably incorporating the highest - · quality materials. as bigh as £30-£35 a sq ft for air-conditioned space and, in Central London and the City,

From the contractors' point of view, however, refurbishment work generally carries lower risks-the severe winter just passed clearly had a far less disruptive effect on works with taken into account and with on new construction projects

the figure is reaching £50 a

quantity in the works pro-

Refurbishment bas its limitations as well. As Norman Douglas of Marshall-Andrew says: "There comes a time in the life of any building when it providing it with an expensive face-lift and the arguments against refurbishing get

During the refurbishment work, the client is more likely to change his mind about what he wants doing and the contractor can often find previously uncovered problems which force changes in the original plans.

Remote

"Neither bas the existing planning-design process made life any easier. It is still generally the case that architects or interior designers are too remote from the contractor. wbo can arrive on site to find problems which would not have arisen if he had been included in consultations from the earliest stage."

But the obstacles clearly bave not proved substantial enough prevent an upsurge refurbishment work and an increasing involvement in the market on the part of growing numbers of contractors. type of work bas become bighly competitive, however, with the traditional specialists facing pressure on margins as more contractors enter the field in the search for business

The market bas begun to stretch away beyond London and the sonth-east—where much

—and his margins are usually of it originated because of pres-better protected to take account sure ou space and conservation considerations—and there are also signs that the previous emphasis oo commercial property is now heginning to give way to increasing refurbishment activity in the industrial sector. where huge numbers of fac-

tories require modernisation. Refurbishment also extends to the bousing sector-where it is more accurately referred to as rehabilitation—and where a great deal of corphasis has been placed by central government. Rehabilitation work has fallen away substantially from the peak of the early 1970s and though some believe the policy of preservation has swung too far - implying the modernisation of existing stock at all costs -the scope for continuing improvement work in housing

seems immense. Contractors, however, regard large-scale rehabilitation programmes problematical area, involving local authorities and the catalogue of regulations and controls which, the contractors believe, frustrate rather than encourage work.

The prospects for "mainstream" refurbishment remain good. There are signs that the rapid escalation in this type of work may now have peaked and there is the ever-present prospect that a sound and substantial revival in the economy will again swing the emphasis back to new construction.

But economic revival will not necessarily damage the pros-pects for a specialist business which now offers the solution to a range of problems which are likely to exist, lrrespective of the general financial climate.-



Two things are very clear about the construction industry today.

One is the growing importance of the refurbishment sector-by an average 13% a year, 1972-1977. Industry forecasts that repairs and maintenance expenditure is expected to be in excess of £5,000 million by 1980.

The other is Marley's place as leaders within this vital sector. Our ability to take growing and profitable advantage of the surge in the refurbishment market is second to none.

The cornerstone of Marley's growth has always been our innovative skill in producing the right products at the right time. Our success in manufacturing for the refurbishment market testifies to this. Our coverage is total. And our commitment is total too.

We make a vast number of products for the refurbishment projects that are now putting a completely fresh face on Britain's towns and cities.

Including everything that's needed for roof refurbishment: roof tiles in a range of colours and

profiles to satisfy the most demanding architect, roofing systems for industrial and commercial projects, and ancillary products from flashing to felt.

In floorings, too, we can provide the range of contract vinyls that answers every specifier's requirements for public, private and commercial buildings.

Marley products are used outside rainwater goods and claddings. And insideplumbing systems, doors, partitions and baths.

In short, the Marley organisation proves its importance to Britain's construction industry again, establishing clearly that in refurbishment, as in other sectors, our place is firmly at the top.



Leadership in refurbishment.

For over 200 years we have been building offices in London and today are also recognised as specialists in office refurbishment and restoration work.

The recently completed Hobhouse Court is an example of our work, where a restoration project provides office and gallery accommodation in buildings of Architectural and Historical significance.



A Restoration by The Crown Estate Commissioners Hobhouse Court Suffolk Street St. James' SW.1. Architects: Casson Conder & Partners

A Restoration By

The Crown Estate Commissioners

Hobhouse Court

Suffolk Street St. James's S.W.I

A new Court for London. Carefully restored from 19th Century

buildings. Providing an Art Gallery, six shops and ten office

buildings of exceptional quality. New tenants include

German Chamber of Commerce, Reed Paper & Board (U.K.) Ltd.,

Royal Bos Kalis Westminster Group.

For details of the remaining buildings contact

Cluttons

74, Grosvenor Street, London W1X 9DD.

01-491 2768

Contractors: Ashby & Homer Ltd 32 Earl Street London E.C.2. Tel: 01-377 0266

Home improvements market surges

THE DO-IT-YOURSELF home improvement market bas grown by leaps and bounds in the postwar years. Last year an esli-mated £1.4bn was spent on DIY products in the UK and in 1980 be market could be worth

Despite a poor start this year, would be balanced by any drop most major DIY retailers still in real disposable iocomes. expect growth of between 10 and 15 per cent in 1979-excluding growth related to new

The rapid expansion of the market in the past 15 years or so bas been fuelled by a number of factors, including the steady rise in bome ownership. This is because home owners spend up to six times more on improvement than those in rented bomes. While a continued mortgage famine would tend to restrict house sales, the

growing cost of moving may en-courage owner-occupiers to improve rather than move.

In addition, the new Conservative Government's policy of eocouraging council house sales could provide a further boost to industry although this

The growth in home improvement work by DIY enthusiasts and by jobbing builders has affected the building materials industry's products and selling techniques markedly. This trend bas been reflected in a number of takeover moves involving links with the DIY market.

Earlier this year W. H. Smith paid £12m for the retail chain of the LCP Group, while A. G. Stanley has acquired most of the Berger paint group's shops. Similarly, Crown and ICI have disposed of their retail paint

Stanley bas also acquired a 16 per cent stake in Morris and Blakey Wallpapers with the eventual aim of making a full takeover bid.
One of the biggest hoosts to

the industry came with the abolition of resale price maintenance in 1965. This changed the pattern of consumer shopping following the launch of the DIY self-service discount store. There are now about 29,300 DIY home improvement outlets in the UK. of which the 2,500 supermarket-style multiples claim a 32 per

The multiples have grownand probably will continue to grow-largely at the expense of the independent retailers, whose sbare of the market bas dropped by about 25 per cent since 1961. The 10.300 independent retailers account for about 27 per cent of the total DIY market and now take second place to the

Turnover

The three companies which have become a major force among the multiples are Home Charm (taking in the Texas Discount Operation), A. G. Stanley with Fads Homecare volume sales. and Status Discount. All three The domestic paint trade has have been steadily increasing also gone through a tough patch, the average size of their stores improvement stores.

A. G. Stanley and Home increases have increased sales Charm both went public in values considerably. Reed 1972. Home Charm then sold international's W.P.H., domionly paints and wallpapers, nant in the wallcoverings generating pre-tax profits of market, has about 18 per cent about £300,000. Today only a of the paint market, while ICI's quarter of sales involve paints. Dulux range claims almost 50 and wallcoverings and on a turnover of more than £26m in 1978 the company recently reported record pre-tax profits

A. G. Stanley, which has remained a specialist paints and wall coverings retailer, has increased turnover from £9.64m In 1975 to £16.15m, in 1977 and an estimated £22m last year. Pre-tax profits for 1978 could be £1.8m. Status, with 50 stores, has a

dominant position in the North of England and is 90 per cent dependent on its own-brand products. Pre-tax profits last year were £3.8m on sales of £30.9m. The development of easy-to-use materials and tools has pro-

vided one of the greatest spurs to the growth in DIY, coupled with increased leisure time and the mounting costs of employing craftsmen to do decorating and carry out small building Selling techniques in the

larger multiples have also developed from those in the independent retailers reflecting changes elsewhere in retail-Builders' merchants and those in the timber trade like Magnet Southern, have been forced to have been spent on self-include more DIY products, assembly furniture in 1977 and while some of the supermarkets, this field is expected to increase such as Tesco and Asda together in relative importance within

is this competition which perin less than three years it built
baps prompted ICI. Berger and
crown to sell their retail been used in several million
interests and concentrate on bomes.

Last year housebolders pasted an estimated 595,000 miles of wallpaper and brushed on about 22m gallons of paint. This year the value of paint sales is expected to be about £190m while wallcoverings add a fur-ther £155m. Wallcoverings, paints and applicators represent 25 per cent of the DIY marketthe largest, easiest and most popular sector.

Over the past five years wallcoverings have slumped by about 25 per cent in volume sales but a bouyant demand for the more expensive vinyls bas continued to maintain sales value. The newly-formed Wallcoverings Marketing Board has been set up to improve volume sales and halt the decline in

The domestic paint trade has only barely maintaining 1973 provide one-stop bome volume sales, but the swing to provement stores.

bome volume sales, but the swing to emulsions together with price per cent of the paint market. Woolworth's Cover Plus paint accounts for another 11 per cent.

Kitchen

In the nwn-brand sphere the Home Charm/A. G. Stanley Square Deal and Ripolin bave both moved ahead of Berger, according to the latest DIY survey from London stockbrokers Earnshaw, Haes and

The fastest-growing sector of the DIY home improvement market is probably the general improvement side and in par-General improvement accounted for about £620m of total expenditure in the DIY field and expected to reach about

£800m in 1980. Kitchen furniture has become one of the major strengths of the Status and Home Charm stores, accounting for about 65 per cent of Status sales last year compared with 40 cent in 1977. Status recently introduced "flat-pack" bedroom furniture to comple ment its range of DIY kitchen

furniture. About £85m is thought to with general stores such as the geoeral improvement sector.

Woolworth, have moved into New products bave also power tools and accessories has the DIY market.

New products bave also power tools and accessories has played an important part in depressed the market for some In such a competitive market expanding the DIY market. For own brands can provide a real example, textured finishes are price advantage and the rapid growing in popularity. Polytext, growth of own brands together with price cutting has eroded the margins of the major paint and wallpaper manufacturers. It ment which was easy to use.

> Paint pads as an alternative to the traditional paint brush bave built up a similar following over the last 15 years with the development of rollers making the biggest impact.

While the handyman's workshop will contain a wide variety of tools adapted for DIY use, the rapid growth of the power tool market is perbaps of particular significance. Power and hand tools worth about £108m were sold in the UK last year and the market is expected to

grow to about £122m this year. The surge in popularity of power tools has been both a blessing and a blow to hand tool manufacturers. Ownership of power drills in the UK bas risen from about one-third of house-bolds in 1968 to more than onebalf today:

This growth in the use of -

The development of easy-to-use tools and materials has provided one of the greatest spurs to the growth in do-it-yourself

hand-tools-those whose functions are directly comparable. but bas belped stimulate the market for other tools.

Earlier this year the Price

the power tool industry, estimated the sales value of power tools alone in the UK to have risen by a fifth to £17.7m in 1978. Black and Decker, a idiary, has 93 per cent of the drill market, 87 per cent of the integrals sector and 95 per cent of the market for attachments. Power Tools concentrate on the

top end of the market. Despite its_domination of the market the Price Commission said of Black and Decker that there was "no evidence that the company was using its mono-poly position to take advantage of the customer."

Overall the rate of future growth in the DIY home im-provement market will depend on a number of factors including the level of bome improvement ownership, the general economic climate and the level of dispos-able incomes which are outside

Paul Taylor



(Est. 1827):

Specialists in all aspects of refurbishing, renovation and general building.

Symm and Company Limited Osney Mead Oxford - Tel (0865) 49567

WATERPROOFING

Do you have problems with your building? Structural cracks, spalling concrete, loose cladding panels, moisture penetration, perished mastic pointing and just about any problem with the structure. Contact the specialists with 12 years' experience in this highly specialised field. Talk is cheap but we can back it with a proven record and can provide any number of references from satisfied clients. A large proportion of our work is done for consultant architects and engineers as nominated contractors: praise.

Advanced Scalants Limited, Kingsway, Wilton, Wiltshire SPZ OAR

Cubitts General Contracts Ltd.,

13/15 Carteret Street,

Refurbishing & Renovation

We are the sixth generation of Cubit craftsmen to be working in Britain's Historic Buildings and are currently engaged in major programmes of modernisation and renovation around the UK

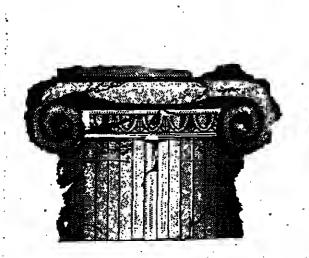


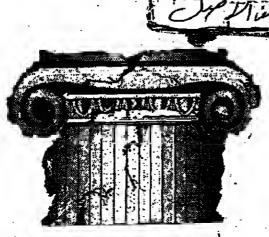
Westminster, London, SWIH9DJ. Telephone: 01-222 8181 Holland, Hannen & Cubitts (Midlands) Ltd.,

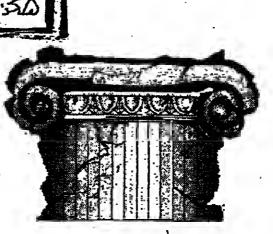
Cubitt House, Dravton Road, Shirley, Solihull, West Midlands, B90 4NQ. Telephone: 021-705.6767

Holland, Hannen & Cubitts (Northern) Ltd. New Chester Road, Bromborough, Wirral, Menovside Lo2 3NZ Telephone: 051-334 4020 CLEHTTS ARE MEMBERS OF THE TARMAC GROUP









Review of home grants urged

IT HAS been estimated that a fifth of the hoosing stock in England alone is in need of re-pair and attention, while the current cost of providing hasic amenities like bathrooms is in the region of film. However, there is a major problem in that in many cases those in greatest need are those that can ill-afford to bring their properties up to a habitable standard.

It was in a bid in hridge this gap that the Government Introuced a system of improvement grants in 1989, but in recent years the numbers of house bolds taking up grants has fal-ten sharply, and bodies like the National Home Improvement Council have called for an urgent reappraisal of the improvement grant system. .

The NHIC argues that sums made available are too low and have not taken full account of the sharp increase in huilding costs over the past five years. Just as important, the process of administering the grant system bas become too compli-cated and discourages many people from applying for aid.

Overhaul

It would like to see an overhaul of the grant system, with some of the qualifications introduced in the 1974 Housing Act made less rigid, to encourage more people to apply for aid.
The measures introduced in

the 1974 Act—such as grants heing made available only for houses below a certain rateable value-were brought in to prevent what the Government of the day regarded as abuses of the improvement grant system.

The Government was appa- grants. rently concerned that its cash ald was in a number of cases being used to fund Items like second homes, and that the well-off. who could perhaps finance their own improvements, were benefiting from a scheme largely designed to assist the less well-off.

that the incidence of second- provement home improvements was not as approved in England and Wales. high as the Government Tbls rose to a peak of 237,976 appeared to believe and that in 1973. Since then the number

nuloy & Gaytord Ltd

Building, Joinery and Partition

Contractors.

Established 1860

44 BOROUGH ROAD, SE1 - 01-928 2732

SIMS & RUSSELL LTD.

(Established since 1840)

London and Home Counties BUILDING, CONTRACTORS

2 VICTORIA RISE

CLAPHAM, LONDON, SW4

Tel. No. 622 0222/6

Harris (Brockley Builders) Limited. 692 1382

D. G. Wynn Limited. 692 1936



While local councils are giving grants to home owners, they are also turning increasingly to rehabilitation of old houses to provide council homes. Above; work on part of the London Borough of Southneark's Grosvenor Terrace scheme in which 265 flats and houses are being created out of 167 postal addresses

qualifications introduced in the of grants approved has fallen Current maximum eligible 1974 Act have only served to sharply, dropping to 68,500 in discourage applications for 1977.

The NHIC case appears to he supported by annual figures showing the level of successful improvement grant applications since the scheme was devised in 1969. It would appear from these that there is a need for the Government to stimulate a greater take-up of grants.

The NHIC, however, believes In 1970 some 114,597 imgrants

years of the early 1970s.

The guidelines provide a which

rehabilitation work and

The NHIC say that last year's figures indicate that there may have been a very slight improvement, hut a change in calculating results — actual grants made being considered rather than grants approvedmakes it difficult to arrive at any real conclusion. Either way the results still have a long way to go to catch up on the peak

Administration of grant aid chemes-which fall into three basic categories: Intermediate grants, full improvement grants and repair grants—is left to local authorities. These operate within certain guidelines to decide who is eligible and how much each individual will get.

of maximum ellgible schemes, and which are used to calculate individual depends upon factors like hard-ship and where applicants live. Ordinarily grants are up to 50 per cent of eligible maximum amounts, hut in general im-provement areas this rises up to 60 per cent and in housing action areas—designated by the local council—up to 75 per cent of eligible maximum amounts, can be received. In bardsbip cases this figure rises to 90 per

The NHIC argues that individual sums currently paid are account the rise in building costs. As a first atep it would like to see percentage figures raised: Additionally it points to the need for some kind of backup loan facility to cover the difference hetween the cost of

 For intermediate grants—to provide basic standard amenities like sinks, bathrooms, inside amount is £1,200, which can be increased by a further £1,500 if essential repairs are required.

 General Improvement grants carry a maximum eligible amount of £5.000 in England and Wales and £3,700 in Scot land. The general improvement grant is to be used for Items like ensuring adequate lighting wiring and ventilation.

Repair grants are available only in housing action and general improvement areas and are for essential repairs and replacement. The maximum eligible amount for this scheme is £1.500 in England and Wales and £800 in Scotland.

However, householders have to meet certain requirement before they are eligible for aid. that a property has at least a further 30 years' useful life, and there has to be an undertaking that the owner or occupier will either live in or continue to let the property for five years after

Flexible

Additionally aid is not generally available for properties with rateable values of more than £400 in Greater London and more than £225 elsewhere. It is some of these qualifica tions that the NHIC and ather hodies would like to see modificd, as well as a more flexible system of administration and a widening of the areas where grants can be made.

ms was made in the Housing Bill, which was lost when the election was called. This would have allowed the Secretary of State power to vary grant rates and expenditure limita. The NHIC hopes that the Bill will be reintroduced by the current

Some attempt to meet these

The Council has also launched a campaign to promote greater Government financial assistance for private landlords seeking to improve sub-standard properties to see larger and more readily available grants and the intro duction of back-up loan facilities

In addition it would like to see central agency established— ossibly coming under the umbrella of the Housing Corporation - to co-ordinate the renovation of dwellings in the private rented sector. There should also be a fairer system calculating rents improved properties.

The Council says the private rented sector provides accomalthough it comprises of only about 2.6m dwellings-13 per cent of the total housing stock It is concerned that about Im privately rented houses are classed standard, representing just over a third of the total UK substandard housing stock.

In gegeral it says that re habilitation must have a high priority in future housing programmes. To replace the 5m properties currently in need of would require the annual demolition of 250,000 houses over the next 20 years.

More disturbing is the fact that around 70,000 houses a year are deteriorating into substandard dwellings. It believes that an overhaul of the grant aid system would he a step in the right direction.

Andrew Taylor



Improving your building could be the answer - so you get more space, and rents keep pace

There are several choices available when assessing your next move; find a site and build? acquire other premises? or simply refurbish your existing building to a high standard? The latter can be the best solution to meet the immediate needs of the occupants and can prove to be an excellent investment. Higgs and Hill have wide experience of such work, coping with demanding specifications -working in offices or factories whilst normal business continues with minimal disruction. We have done the same for public buildings, hotels and stores. Buildings like Harvey Nichols, the Knightsbridge department store, where we returned 50 years after completing the onginal building to refurbish the interior to the highest standards yet another example of a receat order.

Higgs and Hill have unrivalled experience spanning over 100 years. This great wealth of knowledge and skill has helped us to evolve a Management Fee Service - a team approach that brings together the client, his professional advisers and our

HIGGS AND HILL

"A better way to build"

management, early in the pre-contract process. Our clients are entitled to expect their project to he completed on time and within an agreed budget. To achieve this, our management talies full and early responsibility for the detailed planning and programming of all activities. We also involve ourselves in assessing all aspects of the cost plan. This involvement allows the client to benefit quickly, since he is better able to forecast the full construction commitment in terms of cost and time before building work commences, so establishing the viability of the project from the outset. Our early appointment enables work to commence on site sooner than by any other procedure. Furthermore, we are able to apply rigid disciplines in monitoring expenditure and maintaining the programme commitment to complete within

hudget and on time: There's more. For the full story, write or 'phone for the Higgs and Hill Management Fee Service brochure.

Higgs and Hill Limited

Crown House, Kingston Road, New Malden, Surrey KT3 3ST Telephone: 01-942 8921 Telex: 28545 UK: Leeds, Coventry, Bristol, Manchester, Bath and Falkirk

Overseas: France, Bahrain, Egypt, Qatar and Trinidad

REFUKBISHING. A WORD WE'VE BUILT ON.

Quality, Speed, Economy. Frequently overused words, perhaps, but ones which we have translated into reality, making us a leading light in today's refurbishing

We have always specialised in this area of the building industry and have grown into a major business serving a wide variety of institutions and commercial organisations including banks, insurance, oil and

chemical companies; hotels and clubs.

And many have acknowledged our ability by repeatedly entrusting us with their fitting out work and with their long term maintenance

See how Trollope & Colls (City) can put a new look into your organisation by calling Patrick Trollope on 01-377 2500 or sending for the new brochure below. To: Trollope & Colls (City) Ltd. Trocoll House, 25 Christopher Street, London, EC2A 2BR Please send me a copy of your new brochure.

Trollope & Colls (City) Limited

McLAUGHLIN & HARVEY LTI

Building and Civil Engineering Contractors since 1853

Jeffreys Road, Enfield, Middlesex EN3 7UB. 01-805 0101

PELFAST: DUBLIN · LONDONDERRY: DUBAI · SHARJAH

Refurbishing and modernising commercial or industrial premises with maximum efficiency and minimum disruption needs specialists – call one of ours



David Hugill-01-722 6486 153 Park Road, London, NWS.

Chris Randle -- 01-669 0281 Sage House, Wallington, Surrey.

Office rents depend on prestige factor.

MANY CITIES in Europe con-sist of a mixture of buildings, sometimes barmonious out mostly haphazard, of the old and the new. A period ouilding of grace and charm may commonly stand cheek hy jowi with the modern embodiment of space and functionalism.

Such is the demand for office space in, say, London, that the former residences of the titled and the well-to-do often hecome a place of work to serve the needs of a community where scr-

vice industries predominate.

A company establishing a
London branch for the first time or wishing to set up a head-quarters staff in the capital often bas the choice of choosing space in, for example, a classic Georgian building or modern hiock. Both can be equally im-posing. The Shell complex on the South Bank is arguably one of the best known offices in the entire city and the Thorn Build-ing in Upper St. Martin's Lane dominates its environs.

At the same time, few who bave visited the Tube Investments headquarters in London have failed to be impressed by the decor and the sweeping views of St James' Park, or by the elegance of Hammerson Property and Investment Trust's imposing base in Park Lane.

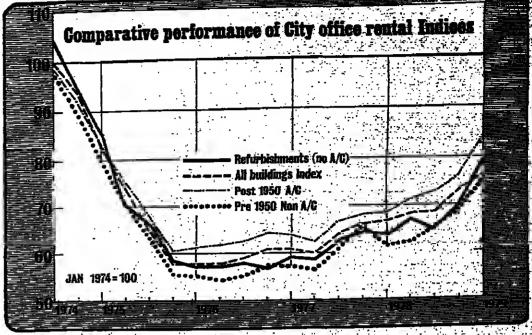
Impersonal

Size of accommodation required will have a bearing on this choice. Host restored buildings range between 10 000 ings range between 10,000-15,000 square feet which would he obviously inadequate for a large company wishing to bring in its entire white-collar staff. Even buildings completed in the 1920s and 1930s never approach the 50,000 square feet level which such a company might

Conversely, a group wishing to find a London home for just to find a London home for just its executive board, company secretary and, say, its planning department, probably would seek an individual restored building of its own rather than take just one floor of an impersonal office block.

For some companies the choice is ready made. The Duke of Bedford's Estate, centred on Bedford Square, is subject to severe planning restrictions and offers low rents to professional practices. Similar controls exist on the Howard de Walden Estate, which makes Harley Street and its immediate sur-roundings such a natural target

for new medical consultancies. But all things being equal, are tenants prepared to pay higher rents for an attractive Georgian terraced building in THE OTHER day a serious-



A big restoration is obviously going to look good in the annual accounts sent to share holders and provide a certain cachet in entertaining stockbrokers, merchant bankers to say nothing of important overseas clients, in a lovingly removated hallroom. Even better if the cutlery, crockery, glasses and furniture are all in keeping.

But does this grandeur warrant or achieve a premium rent block? Haslemere Estates is one of the acknowledged property investment leaders in the Industry restoration believes that new accommodation nearly always commands higher rents.

Mr. David Pickford, Haslemere's managing director, remembers that it was only during the so-called Croydon boom that there was a discernible premium for restorations. That boom occurred a decade ago and older properties have never regained their status.

higher cost of maintaining a going to look good in the restored building and its lower annual accounts sent to sbarenet to gross ratio to explain

If a modern block comprises 20,000 sq ft of gross space, the accommodation that can be occupied by staff probably will. be about 16,000 sq ft with the difference made up by lifts, corridors and entrance halls. The equivalent space in a period building, allowing for a

more imposing front hall, wider space might he at most 15,000 sq ft and probably only 12,000 sq ft. So the cost of the search and running of such a flagship. building can he extremely high. Tenants rarely give details of the rents they are paying but

greater space. Prestige, in both cases, is a significant considera-Ray Maughan

that is the case, then financial acumen often holds sway against

Estate agents Richard Ellis

have been monitoring these trends in various sections of the market. Their calculations

show that there has been very

formance of modern and refur

bisbed rental values during and

Companies will always pay

wbat the market demands for

the right building, whether it

Georgian terraced house in the heart of Mayfair or a gleaming

modern tower if staffing requirements dictate very much

after the last property slump.

aesthetic : considerations. corporate treasurer rather than the chairman's wife has the

upper hand.

Passions rise on old versus new

Mayfair rather than a func-tional, if more cost-efficient, admonished me for supporting the fashion for refurbishing and preserving buildings rather than knocking them down and producing new-

My problem, he said, was that was unable to cope with the rapid changes of the modern world and sought to cling to the old and familiar—as to a childhood teddy hear—no matter

bow obsolete and unhygieric. He recommended, as a cure for my complaint, that I read Alvin Tofler's book "Future Sbock " and learn the ground rules for survival in the permanent state of flux which is

today's society. We could not afford to stand still and shut our minds to new ideas, new styles of architecture, be said. We are cluttering up our scarce supply of land with ancient buildings unfitted for modern uses and in so doing denying scope to the new Wrens

and Nasbes.
The argument became increas ingly heated with me pressing him to admit that his case was simple special pleading. His problem, I decided, was that he wanted to raze our history to the ground to provide the sites where buildings could be put up from bis portfollo of

elegant drawings.
The subject of refurbishment tends to produce this sort of unproductive passion. On the one hand the advocates of the new who would still be appalled by the demolition of St. Paul's Catbedral; on the other, the defenders of our traditional city scapes who still want light and lifts in their humes and

The arguments are generally between the young. Over the past few years senior partners in architectural firms have been only too happy to he given any work at all, and could hardly pass up refurhishment contracts on the hasis of principle.

It is not for nothing that the argnments about refurbishment have intensified in the past fonr yeara or so. While it is true that in the past decade planners have switched from favouring redevelopment wholesale schemes to "patch and meod" concepts, this would not have appeared so stultifying to new building if the economy had been healthy enough to support a buoyant level of development overall.

Refurhishment design can co-exist happily. But the economic and fiscal pressures of the past four years have often made the new unviable and the gap has been partially filled by recycling existing stock. It must be said that in some cases planners and pressure groups have exceeded

themselves in favour of the old, looker, lighten the townscape Buildings are heing preserved, and counterpoint other stanat unjustifiable costs in money, dards. Even where there is a energy, time and inconvenience. which cannot readily he classified as outstanding architectural

landmarks. -But this, of course, is another unproductive area. Landmarks come in many guises. There is even a place in people's bearts

ticular style is attractive as Georgian architecture is considered today—that consensus can change. So there is no blueprint which can be produced to say which

general consensus that a par-

buildings should be preserved for the grotesquely ugly monu- and which should go. The afterment; it can amuse the on- math of the bombing during the

CONTINUED ON NEXT PAGE

Grantright Limited

Building and decorations The repair and majotenance, renovation, modernisation, alteration and conversion of industrial, commercial and residential premises including all decorations, electrical and mechanical services. Speciatist foundations

The repair and strengthening of defective foundations and structural weaknesses by carrying out underpinning, piling and pressure groutiog; also, the construction of new foundations. tions and their associated ground works.

Industrial and commercial flooring The company offers a comprehensive flooring service covering every industrist, commercial, institutional and domestic requirement iocluding development, design installations and specialist research services.

Interior design and furnishing The design and presentation of interior schemes, the super-vision of all decorations and specialist finishes and the supply of all furnishings and furniture.

Electronic security systems The design and installation of electronic high-security systems Grantright Limited Regional Office:

Head Office & Regd. Office: 123 King Street, London W6 9JG. Telephone: 01-748 8032. Telex: 8814389 Weblid G

74 Holton Road,

Barry, South Glamorgan, CF6 7HY. Telephone: 0446 73 4437.

For a complete design, supply and fix service in acoustic suspended ceilings, expanded metal lathing and plastering, nationally and overseas.

MANPEN DECOR LIMITED

Manpen House, Ashton Lane Sale, Cheshire Tel: 061-973 8357 Telex: 667465



1 Norwest Holst company is a sub-contractor

Built 1066.

Refurbished 1979.

The total capability of Norwest Holst in the important and growing £5,000 million refurbishment market is amply confirmed by the group's recent acquisition of specialist contractor Marshall-Andrew.

Among the group's clients and contracts are: Westminster Abbey · London
Transport · Daily Telegraph · Mansion House · Somerset House · Harrow
School · Royal Horticultural Society · British Transport Hotels · Sun Life
Assurance · Victoria Station · Bank of Chicago · Hill Samuel · Royal Masonic Hospital.

Norwest Holst/Marshall-Andrew 1

Total Capability in refurbishment 35 Chesham Place, London SW1X SHB. Telephone: 01-235 9551.

on the current refurbishment of Westminster Abbey.



Shifting the grime of centuries

CITIES ARE filthy. Their buildings are coated with an ever-thickening sheen of grime to the point that a casual observer might believe they had been constructed of coal.

al Indies

Every so oflen, however, an office, a theatre, a monument or even a palace is shrouded in a web of scattoiding and tarpaulin before emerging in a pristine that the ootline first conceived by the architect of a bygone era low volume lance, will be restored to the city's Soluble soot an

that water remains an integral part of the operation. That and good deal of elbow grease are still widely used to remove the dirt left by the weather, by man and bis vehicles, by industry and of course that noble and useful bird, the pigeon.

But natural stone, if very resilient, is not indestructible. brush are sometimes the only ingredients required of a building restoration, many unskilled firms have been attracted by the increased maintenance and preservation of natural stone

The Federation of Stone Industries has stressed that "in the wrong hands and by the use of the wrong process for the material in question, much harm can be caused, with unsightly effects, some of which may not become apparent for months after cleaning has been completed and will be difficult if not impossible to remedy."

Guidelines

As the Stone Cleaning and Restoration section of the federation pointed out in its blasting and believes that the code of practice, "avery case sand and grit will be inneeds to be assessed on its own creasingly used in water to difficult to lay down even accompanying protective difficult to lay down even that air blasting can cause, general guidelines. The assess-that air blasting can cause. He also feels that sandblast-moverdone." The application of expert knowledge ing has been "overdone." The and experience for the choice of process removes a minute

appropriate cleaning method fraction of the surface of the catch up with the latter half of bearing in mind the environmental location of the structure and other factors.

Natural stone is found in two main categories, sandstone and limestona. Water is still the most accepted method of cleaning limestone. The surface dirt is softened by a fine spray of water and the dirt is scrubbed form unseen for many decades, away by a mason's soft grit opposite, which had been even centuries. The hope is stone and suitable brushes or restored two years earlier. hy the use of a high-pressure

landscape and the achievements of the masons and other craftsmen of the period faithfully brought back to life.

Solution Soot and unit worth have penetrated into the porcs of the stonework, often come to the surface after a wet wash prought back to life. Soluble soot and dirt which Anyone who has gingerly vulnerable—to form a brown stepped round a building under—stain. The stain, however, going such a facelift will realise—usually fades quite quickly.—The Stone Cleaning and Restoration Section of the going such a facelift will realise—usually fades quite quickly.—The Stone Cleaning and Restoration Section of the going and carved features.

Effect

Water generally has little effect on sandstone where the most common cleaning techniques comprise grit or saod biasting and, alternatively, chemicals. Blasting is one of the resilient, is not indestructible. most widely used methods Since water and a scrubbiog altough, in ment hands, it cao brush are sometimes the only cause surface rougbening of soft sandstones.

London Stone, a subsidiary of the quoted Pritchard Services Group, has used wet gritblasting extensively. The technique is about 10 years old and avoids staining. The com-pany, which cleaned the Monument and the London Pavilioo Cinema in Picadilly, employed the process to clean both Westminster Cathedral and, more recently, Westminster Abbey.

Mr. Ian Clayton, former head of the long-established stone restoration group. Szerelmey, who set up on his own at the beginning of this month, points out that the industry bas been the comparative debating effects of air and water sand

deaden its effect? He rememcleaned recently by this process

Mechanical methods are used in hoth sand and limestone. Abrasive discs and wheels can be employed on limestone before waterwashing to remove country.
the top deposits of thick dirt. Mr. M. The Stone Cleaning and Restoration Section of the moulded and carved features are difficult to clean this way

without causing damage. The same warning applies to the use of mechanical cleaning methods on sandstone, although this tone geocrally responds well to the process known as spinning or resurfacing by the use of powered abrasive discs and shaped wbeels.

Chemicals are not usually recommended for use in limestooe cleaning, although their stope cleaning, although their application on sandstone is widespread. Many proprietary cleaning ageots appear on the market, but they nearly always contain hydrofluoric acid. Most chemical cleaning agents, the Federation stresses, either contain soluble salts or react with stone to form soluble acids. "The only accepted acid is "The only accepted acid is hydrofluoric which will not leave soluble salts behind."

A diluted solution of the acid is applied by brush, and after the acid reaction the stonework is vigorously brushed down in conjunction with clean cold water sprays or alternatively with high-pressure low-volume

Water, then, still has a very big part to play in the building cleaning industry. The water cleaning process used widely on limestone is about 50 years old and the more recent wet gritblasting and chemical processes rely heavily on water and not a little physical effort.

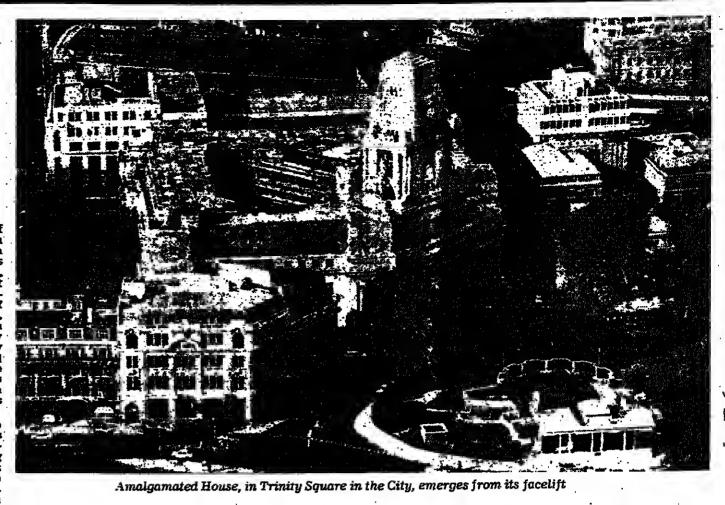
stooe thereby giving it a new the twentieth century and even face, it is hoped, without extend the frootiers of modern damage. But does it shatter the science. Mr. Ed Malone thinks surface of the stone and thus It has a chance. Lasers, he feels, could be the basis of the next bers a building that bad been atep forword in building restoration techniques. The state of in Greeowich which, unfortu-nately, looked greyish by comparison with the building Stone points out, the technology can only be applied over a very any major application would be very expensive. But he admits that not a great deal is known about the subject in this

> Mr. Malone, of the U.S. group of Neollth Chemicals which has developed many of the hydrocleaning fluoric acid-based agents now on the market, is hopeful that the range of the laser beam can be extended. Work, principally undertaken by Dr. Asmus in California, bas so far only developed a beam concentrated in a square centi-

Activate

But Neolith aims to use holography (broadly, the production of three dimensional images) to lesseo the impact of the beam and to widen its impact to a square foot. The heat of tha laser beam would activate a mild chemical applied to the stone which would have much the same make-up as a household soap, an anionic or a conionic agent. He admits that this is "strictly a laboratory pbenomenon right now" but believes that process can be commercially developed in about 18 months at Neolith's UK plant at Whitworth, near

Whether lasers ever supersede, or even take their place alongside. water, sand and hydrofluoric acid in the stone cleaner's armoury is by no means certain, but If they do make an impact the Federation can at least expect the un-wanted and unskilled "cowboy" operators to leave the technology of the 1980s well alone.



Passions

CONTINUED FROM PREVIOUS PAGE

1939-45 War has taught only one empty sites, the economic reces-ings. One area in particular that above a river and on a thing: that a devastated area sion has forced them into using entirely rebuilt in one styla leaves the community unsatis-

fied. The question whether we ought to preserve buildings or replace them with new ones simply cannot be answered in principle. Whether they are, in practice, preserved or replaced depends in the end on commercial considerations and the community's needs at the time.

But there are areas whera discussion can be more con-crete. In the last few years refurbisbment skills have in-Methods have been devised for carrying out major structural work with a minimum of damage to the structure being retained. Mass production of decorations has become commonplace. Time and costs have decreased.

In part this benefit has been created by the very absence of sufficient new building design he 1980s well alone. work. Where top architects might have expected to be carrying out their own designs on

their skills on existing buildings. Their skills and flair have improved the whole standard of

Grandeur

In this sense, therefore, refurbishment bas not meant sterility but creativity, which will have important application to the current crop of modern buildings.

The cyclical pature of building in this country since the war has meant a series of outcrops activity followed by slowdowns. The mid-1960s was one such active period; the early 1970s another. The first group of buildings is already approaching time for major redecoration and improvement. It will not be long before the 1970s buildings also need overhaul.

The lessons that have been learnt Georgian and OD Victorian buildings are already being put to use in renovating these relatively modern build-

way in which existing space can be re-divided, both for efficiency and pleasing effect.

It is possible that even more important concepts will emerge from the close study of historic building methods which refur-bishmeot necessitates. Some years ago I was shown round Kilkenny Castle in Ireland by the site superintendent. The interior of the building being extensively gutted following the discovery of rampant

dry rot. While work was going on It was decided to explore foundations to ascertain the extent of any damp.

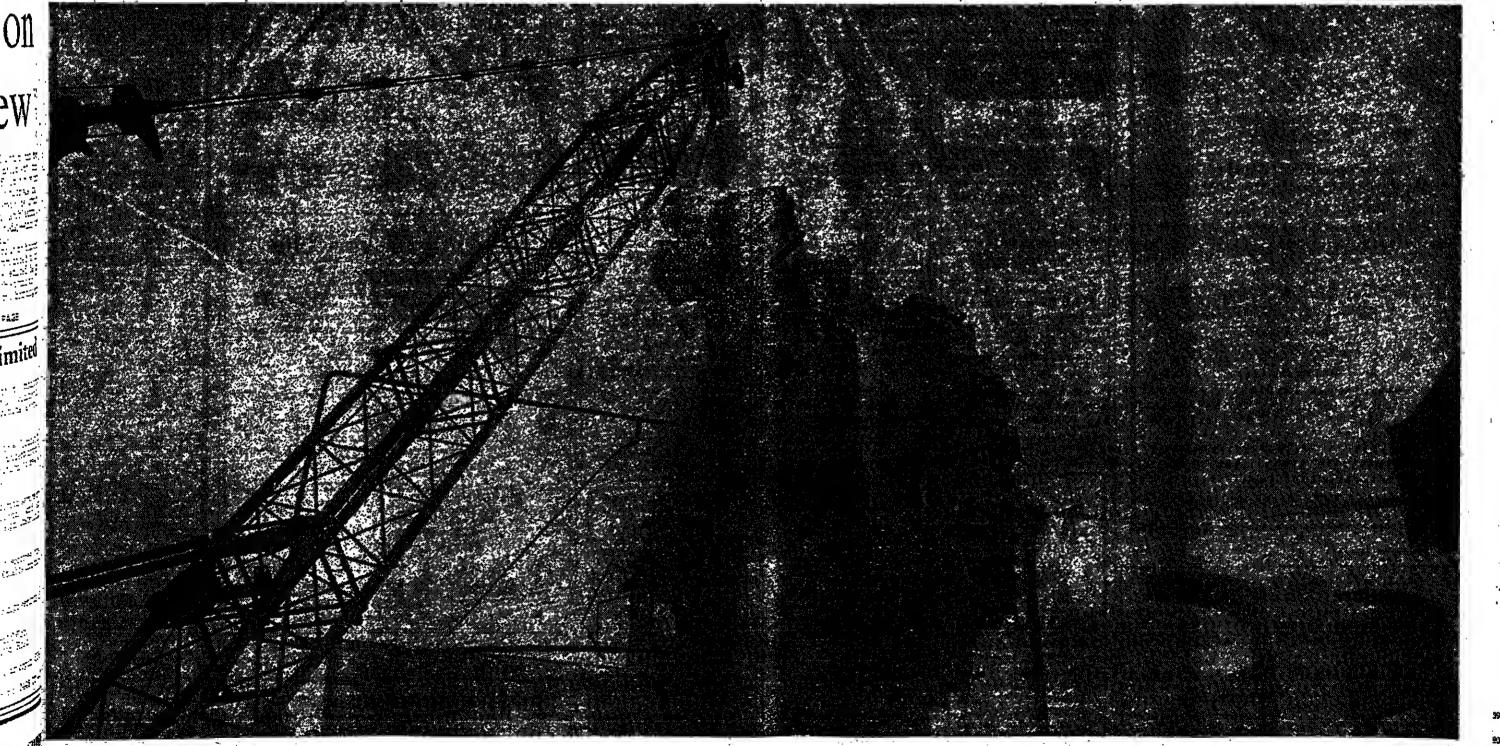
To the horror of the architect in charge, there were no foundations. At least they were minimal. All traces of footings disappeared less than a foot below ground level. The whole massive four-storey structure plus its towers, bas been standing perfectly happily centuries—on nothing. happily

where new ideas have multi-site criss-crossed with tunnels plied is in use of space and the which kept the servants ont of sight of the occupants.

The site superintendeot ex pressed the hope that his discovery might prompt engineers to reconsider the whole concept of foundation works, so often the most expensive part of a modern building. One alternative to deep-pile foundations has already been invented and used with success—the concrete raft system. Might not the 18th ceotury builders of Kilkenny Castle have hit upon another?

The story has its point if it does persuade young architects to swallow their disappointment at not being given the chance to see their own designs against the skyline. With the economy still uncertain and new development programmes undar strict rein, architects are being given the opportunity to re-inspect the past and scrutinise their own methods and styles. That cannot

By a Correspondent



We'd like you to talk it over with us first.

When a building can't be left to go on standing as it is, there's still no rule that says it's got to come down.

There's an alternative. And that is, renovation by Wimpey. As large and experienced contractors, we know exactly how to get down to the essential strength of an old building. and then bring it up from there to meet modern requirements. We've done it with crumbling historic buildings, we've

done it with out-of-date office blocks, we've done it with thousands of Local Authority homes.

Much of our work is concerned with small unit schemes carried out by our <u>local</u> offices using <u>local</u> craftsmen . . . a service backed, of course, by the full technical resources and flexibility of the Wimpey Group ensuring efficient, on-time completion.

So when modernisation is the most desirable, or the most cost-effective action to take, remember our invitation to 'talk' it over with us first'

It could be your very



George Wimpey Limited, 27 Hammersmith Grove, London W6 7FN



Official Distributors for Rolls-Royce and Bentley.

34 Dover Street, London, Tel. 01-499 8962

1978 June Rolls-Royce Silver Shadow II Saloon. Caribbean Blue, Magnolia leather. Speedometer reading 6,250 miles.

1976 Aug. Rolls-Royce Silver Shadow Saloon. Regency Bronze. Dark Brown leather. Speedometer reading 1976 May Rolls-Royce Silver Shadow Saloon. Silver Mick, Dark Blue leather. Speedometer resding 15,000

miles.
1976 Feb. Rolls-Royce Silver Shadow Saloon. Pewter,
Green leather. Speedometer reading 39,500 miles.
£25,000

1976 Jan. Rolls-Royce Silver Shadow Saloon. Walnut, Belge leather. Speedometer reading 41,000 miles. £25,000

1974 Apr. Rolls-Royce Silver Shadow Saloon. Regency Bronze, Red leather. Speedometer reading 45,000 miles.

1973 May Rolls-Royce Silver Shadow Saloon. Black over Walnut, Black leather, electric sliding sunroef. Speedometer reading 33,600 miles.

1973 May Rolls-Royce Silver Shadow Saloon. Welnut, Beige Everflex roof, Beige leather, Speedometer reading 50,000 miles.

reading 59,000 miles.

GUILDFORD Yoodbridge Road, Guildford, Surrey. Tel. 69231. Tbr. 859255 1977 Oct. Rolls-Royce Silver Shadow II finished in Larch Green with Magnolia hide piped in Green. Magnolia knesroll and radio surround, Green Everflex

1976 May Rolls-Royce Silver Shadow finished in Shell Grey with Surf Blue hide uphelstery, 35,000 miles.

1975 Mar. Rolls-Royce Silver Shadow finished in Paseck Blue with Belgs hide. 33,000 miles.

1973 June Rolls-Royce Silver Shadow finished in Silver Mink with Blue hide. 29,000 miles.

TORQUAY

Lisburne Square, Torquay, Tel. (0803) 24321

1976 Jan. Rolis-Royce Corniehe 2-door Saloon finished in Silver Chalice with a Black Everflex roof and Red uphelstery. Speedemeter reading 23,750 miles. £38,500 1977 Aug. Rolls-Royce Silver Shadow Series II Saloon. Willow Gold, Brown Everflex roof and Beige hide uphelstery. Speedometer reading 8,000 miles.
Price on application

1974 Aug. Rolls-Royce Silver Shadow Saloon Flared Arch Model finished in Seychelles Blue with Blue hide upholstery. Speedometer reading 61,000 miles. £19,250 1939 Jan. Bentiev T Series Saloon finished in Shell Grey with Red hide upholstery. One owner. Speedometer reading 33,000 miles. £15,500

For that special car some special finance. A comprehensive range of leasing packages is available from

WADHAM STRINGER LEASING Waterlooviile (07014) 61221



West End Executive Cars

offer the following exceptional motor cars:

Rolls-Royce Silver Shadow II. Seychelles Blue with Silver Chalice interior. Delivery mileage.

Rolls-Royce Silver Shadow, 1977, Willow Gold with tan hide. 6.500 miles.

Rolls-Royce Silver Shadow, 1978. Peacock blue with tan hide. 14,000 miles.

Mercedes 280 SE, 1976, Maroon. 36,000 miles.

Porsche Turbo, 3.3 litre, Gold. Delivery mileage.

The above are only a small selection of our range of luxury motor cars. For full details,

telephone J. Wildman on 01-229 6681.

DAN DAN THE DATSUN MAN

Offers you the same day delivery on the following new Detsuns:

280ZX Auto, 2+2. Merallic Silver, Metallic Blus. 280C Saloon Auto. Metallic Bronze,

. 240K Coupe Auto. Metallic Green.

180B SSS Coupe Man. Metallic Margon.

180B Estate Man. Metallic Blue.

1808 Saloon Man, In Red.

160) SSS Coupe Men. In Yellow, Metallic Green, Metallic Silver. 160] Saloon Auto. Metallic Silver, Metallic Blue.

140] Saloon Man, Metallic Turquoise, Metallic Silver, Red.

New SUNNY Coupe. Metallic Marcon.

New SUNNY 4-door GLS Auto. Belge, Metallic Maroon, Yellow,

New SUNNY 2-door GLS Auto. Blus, Metallic Brown,

New SUNNY 2-door GLS Man. Blue. New CHERRY 3-door GL Yellow.

New CHERRY Estate. Silver. Metallic Mercon.

LDV 1-ton Pick-up. in Red, Beige.

All vehicles come supplied with I year road tax, underseal, seat belts and mirrors. We elso offer the keenest P/X prices and very low interest rates on HP and Leasing.

DAN PERKINS & CO. London LTD.

76-84, MAYES ROAD, WOOD GREEN, N.22

01-888 0032 DAY 01-368 9900 EVENINGS

MERCEDES-BENZ IN LONDON 450 SEL 79 (T). Slack/parchment. eircon., siwbeels, c'trol., 1,000 miles £22,850 450 SEL 79 (T). Gold/charcoal. aircon., s'wberls, ESR, 1,000 miles £23450 450 SEL Apr, 78 (T). Met. bius/ parchment leather. a/con. ESR. cuise cont. 7,000 miles £21,450 450 SEL 6.9 Jas. 77 (T). Milan brown/pamboo vel., fili preclêza-tion, 19,000 rolles ... £22,450 Mercedes 9.9 1978, Specification, inished in Milan brownbambon velour, having travalled 19.000 miles, total specification 522450 Mercedes 280 CE 1973 Model. Finished in Milan brownitebacco velour, having travelled 13.000 miles, finished with alectric sun-rool, electric limed windows, alloy wheel, radiosistence 546.150 Marcedes 666 E 1877. Colorado balcottobacco (ciott, havino limyradio/stere \$10.850 Hercedes \$50 \$5 1976. Classic whiteiblack cith. having travelled \$7.000 miles, fitted with alectic sunreat, electric third widows, radio/stered \$12.550 450 St. 73. [con gold/oreen int., personal number plates, alwheels, tiplass. 35,000 miles only 450 SE 70 tR). Medium led/ Mercedes 350 SE 1977. Topaz brown)tobacco cloth, having travelled 22,000 miles £14,550 200 SE 76 (RL Yellow/brown cloth, 1 owner £10,950

MAY IS CONVERTIBLE TIME



Lincoln Street

CARS OF QUALITY GROUP AND DISTINCTION

SUMMER HILL ROAD-SPRING HILL-BIRMINGHAM I

TEL:021-233 2651

Tel: Hull (0482) 25363/27070—daytime or Hull 658206/658232—eves/Sunday. P.O. Box 99, Hull HU1 3EZ.

AMERICAN SPORTSCOACH

Our styllah 25-foot SPORTSCOACH has been home, office and luxury car for our European Sales Girector. We did our homework and bought the best. After 18 months of highly satisfactory use we are selling and are upgrading to yet another Soortscoach. Rerely seen outside America, this marque has vestly superior construction and distinctive appearance that provide a quality jar shore motorhomes normally available here. All who see our vehicle confirm this.

Fittings include cruise control, elr conditioning, microwave cooker, deed freezo, largo independent Benerator, olus ell normal R.V. features for self-conteined living.

We are not motor dealers so you can save by buying at the very best price of £15,000. Call 01-937 2989 enytices for lurther details of this unique vehicle.

USED BMW

LOW MILEAGE MAINLY ONE

OWNER CARS WITH HISTORY

79T 633 CSI Auto. White, black hide, air cond., einc. rool. wiwipe. starco. gold Mabbe wheels. 3,600 miles. 785 633 CSI. Ice blue, red hide, 7 Mahle wheels. 17,000 miles. 785,7331 Auto. Gunmetal, tan cloth, sloya. 11,500 miles. 785 730 Auto. Commetal, tan cloth, sloya. Mahle wheels. 17,300 miles. 785 730 Auto. Ice blue, bluo cloth, siloys. 13,500 miles. 785 728 Auto. Choice of 3—blue/oreanired—with thr. slioys. 775 525. Beigs with tan prim thr., sunroof. alloy wheels, molo. 77K 525 Auto. Silver, blue cloth, redio. 20,000 miles. 785 720 Auto. Silver, blue cloth, 12,000 miles. 785 720 Auto. Pale polo, tan cloth, siloys. 775 520 Auto. Pale polo, tan cloth, siloys. 775 520 Auto. Silver, blue cloth. 785 783, stack black cloth, sil cond.

alloys. Tale your, all cond., all cond., alloys. Tales, black cloth, air cond., sunroof, elec, windows, alloy wheels, radio, stereo. 17,000 miles. 773 3209. Ite blue blue cloth, sunroof, tint. radio. 23,000 miles.

Leasing available on all used cars to suit you.

We buy 3/5/6/7 series cars with a full history for cash.

OPEN 7 DAYS A WEEK

Tel: 0533 374444. Telex: 342472

Open Sunday 10-4 Tel: 0533 374444 Telex: 342472

Save Money

your.

Ameri-

can car MAII Makes, C Models

& options
American plates available Many

cars in stock in Europe

Rapid delivery of special

President of K&R Auto Export,

New York at the Hotel Churchlil,

Portman Square, London W.1.

Chase Manhaltan Bank, 32nd St. & 7th Av, New York City

K&R Auto Export

Porsche 928 1979 spec. Silver

1.800 miles. Manual, with LSD.

BMW 3231 1979. 3,000 miles.

Polaris with tints. P.A.S. Radio/

cassecte, electric mirror, etc. etc.

List price. £8,400. Pert exchange

ALLENDALE MOTOR GO.

MARKET SQUARE,

ALLENDALE.

NORTHUMBERLAND.

Tel. (043483).596

1976 T PORSCHE 911 SC Sport, Petrol 8103, 5.000 miles, Obenc: 0533 374444.

can be V Reg. £21.950.

For your appointment call

from May 19 to 24 E

Telephone: 01-486-5800;

Orders Talk with Hy Katz.

CADILLACS

NEW SEVILE Colivery mileagle, metallic platinum, burgundy leather interior, fitted unique Cadillac lourney computer, chrome plated

NEW SEVILLE Delivery mileagle, Basil groen metellic, beige velour trio and graen vinyl roof, ell usual Cadillac axtras too numerous to list in full. £12,5000.

In full. £12,5000.

NEW SEVILLE. The most comprehensively equipped car on offer. Finished in brown metallic with contrasting leadner interior. Asto sunroof, trip computer, tan vinyl roof, clus ell yeuel extree. £14,500.

77 SEVILLE († Reg.) Blue fire mist with blue velour end vinyl roof. In auperb. condition. Werranted 20,000 miles, £9,850.

CAPRICES

NEW ESTATE 9-SEATER in ermino white with blue cloth Interior, every reality ovailable extre le fitted, power seate, crulae control, European auepension, air cend., steries/rodio, rool rock, etc., etc. 55,950.

4-DOOR SEDAN in metallic dark brown, contrasting cloth Interior, comprehansively equipped including ein cond., etc., etc. £3,450.

WINNEBAGO ITABCA luxury motor home, 25ft model. Biend new. Sleeps 7. Every gosaible addition. 216,850.

LONDON

SPORTS CAR CENTRE

High Street, Edgware, Middx. Tel. 01-952 6171

Lease your BMW the Milcem way

A salection of ased BMWa

1979 733i

Chemonix white, blue cloth interior, central locking, tinned glans, alactric windows, mdio/casaste From £78.85 per week

1977 633 CSI AUTOMATIC

Polaris mataliic silvei, black interio air conditioning, radio/cassette From £77.85 per week

1977 528 AUTOMATIC Resada metallic green and interior tinted glass, radio/etereo cassetta eir cond., pre-heeler, wash/wipe - From £45.50 per week

1979 518 AUTOMATIC

Biscay blue, blue cloth, tinted glass From £43.27 per week

1976 320 AUTOMATIC

Inca orange, black cloth interior, tinted glass, manual sunroof From £24.85 per week The above figures sia gross and eubjact to all tax concessions and the above cars can also be purchased for cash 16/18 Hela Lane, Mill Hill London, NW7
Tal: 01-959 6961

Renault 6L

N registered

white, red interior.

excellent condition. £1100 onc.

Tel.: The Lee 386

(near Gt Micsenden, Bucks)

1979 ROLLS ROYCE

SILVER WRAITH II

Harvest Gold with Beige Hide, Dark

Brown tilm, Under 4,000 miles.

225597 balvoen 9.00 p.m. and 6.00

Offers over £45,000. Tel: 8rcntwood

p.m. weakdays.

MILCARS OF MILL HILL

The Bilatol is unique being a full saloon in winter and adapting to a convertible in aummer. Other feetures include non-rust aluminium conchwork as standard, a 22 cu ft luggaga boot, an easily etendard, a 22 cu it lugged and, at easily mointelned angine which runs on 2-star fuel. The interior is fitted with walnut fascie, end roal leather uphoistery. Built in very small numbero for those who can afford and appreciate the best. the Bristol is Great Britain'o most exclusive car.

ORMAND (MAYFAIR) LTO PARTS AND SERVICE

BRISTOL CARS LTD.

368-370 Kensington High Street, London W14 8NL 01-603 5556

DAIMLER **VANDEN PLAS DOUBLE SIX**

1977 Selmon Mcbillic with Naturol Losther. Auto. Pes. Fuel injection. All Vandan Ples refinements including Au Conditioning, Tinied Power Windows, Chrome Wheels, Cantre Locking, Olus Power Operated Sunroof. 28,000 R.M.

£8,950 **VANDEN PLAS** 4.2 LWB

1976 Seige Merellic with Block Vinvi Rool and Naturel Leather. Automatic Ose and all Vandon Olon relina-ments. 31,000 R.M. only really, excellent condition throughout

COUPE

JAGUAR XJ12

1976 Oalk Blue with Ten Leather. Auto/Pae. Fuel injection. Tinted olectric windows. Cantre locking. Ail conditioning. Chrome wheels. Radio/stemo, excellent condition throughout. Superb performance

THIS SPACE FOR SALE

TWICE

ONE ON

SATURDAY'S

MOTORING PAGE

AGAIN IN

MONDAY'S PAPER

BOTH FOR JUST

£80.00

For details of other sizes contact Simon Hicks — 01-248 5115

£5,950

JAGUAR XJ6 LWB

164, WATFORD BOAD,

1976 Suade Green with Vinyl Roof and Malchine Interior. Automatic Pss. Tinted electric windows. Centre locking. Air conditioning (outo tygs). Radio/Sterso, excel-£4,750

YOU'RE ONLY

BY PHONE...

selection of new

in West London.

LEASING SPECIALISTS

CAR CENTRE

BRISTOL 411 Set. 3, 1873. In excellent all round condition with engine & gear-box just rebuilt. £7.150. Bitton 3199.

call us now

01-370 3152

VOLVO

from the best

SECONDS AWAY

The above are Company Executive sallo and are regresentative examples of a selection of over 15 amiliar cars. Without sacegulon, they are in excellent condution and must be the most competitively gliced Gainles and Jaquars on the market. Terms,lessing lacilities can be stranged for any prospective purchases. All cars are offered for any trial and are covered by a 12-month Autoguard warranty.

**Please Phone Mr. D. Baxton or Mr. S. Goddard for further details (0283) 219163/219208

Brighton Car Concessionaires

NEW FERRARI EARLY DELIVERY

512 B.B. French Blue/Creem leathor 400 Auto Dark Bluo/Cream leether 308 GTB Red/Baige leathor 308 GTS Blue Mstallic/Cream leather Mercedos-Benz 450 SLC Silver/Red leather 1977 BMW 320i White/Blue cloth 1977 Ferrari 246 GTS Black/Black 1974

Distributors for Ferraria Brighton (0273) 898411 OPEN 7 DAYS A WEEK

USED CARS WITH HISTORY
70T 400 GT Anto. White, red bide, rear air cond. 3,000 miles. 79T 308 GTB. Crange, magnolik bide, air cond., P7. 3,000 miles. 78S 308 GTS. Ice biue, biue hide, air cond., wide wheek. 0,000 miles. 775 308 GT4 2.+2. Racing red, beige cotb, air cond., wide wheek. 7,000 miles. 78S 308 GTB. Silver, red hide, air cond., spoiler, elec, mirror, wide wheek. 9,000 miles. 77S 308 GTB. Blue metalic, magnolia hide, air cond., wide wheek. 13,500 miles.

miles.

NEW CARS FOR EARLY DELIVERY
308 GT4 2 + 2. Orange, tan hide, air
cond., wide wheels. Metaling bro.,
nagnolia cloth, air cond., wile wheels.
308 GTB, Racing red., magnolia bide,
the cond wide wheels. ali cond., wide wheels, 400 Anta, Gold metallic, cream hide, rear air.

Collection and Delivery Service Available for all Service Customers Tel. 0533 37444 Tales 342472

JAMES YOUNG

ROLLS ROYCE WANTED

We are the best buyers of low mileage, good condition Rolls-Royce cars. We have clients waiting for 1972-1976 Silver Shadows, Corniches, etc.

Telephone 01-460 3434

E-type Jaguar

42 F.H.C.

Pacific blue, below everage mileago, cassette, chrome wires, £1,200 spent last 10 months, includes new clutch, tyres, exheusts, suspension atc. MOT 12 months. £3,800

Telephone eves & weekend 01-464 7289

day 01-629 9496 ext. 2373



IMMEDIATE DELIVERY LEASEOR BUY

DOE MOTORS LTD WITHAM ESSEX TEL:(0376)513496

When you want to hire a car that is as distinctive as you are Contact First Front executive car hire. Britains exclusive BMW self-drice hire facility. A full range f. 79 models available.

ROLLS ROYCE

Immediate 1977 Rolle-Royce Silver Shadow four-door galoon. Body colour aliver challed with red intenor upholatery. One owner Irom new. 16.800 miles only. £27,000.

Phone Mr. J. A. Weston, Bristol 552071, during office hours, or Bath 25834 evenings and weekends.

ASTON MARTIN DBG. August 1068.
Advamarine/black hide. Absolutely shible condition throughout. Private Sale. Olease ring 01-393 4140 (Serrer) for harber datalis.
MERCEDES SENZ 450 51. | late 78, T, 400 miles. maganetic metallic blus, parchment loather interior, full specification 521,500. NB Briers. Telaphone Stratslord-on-Aven 4539.

Final Lines Louday May 21 1819

Ian Anthony quality used cars. Featuring Porsche, BMW and a selection of hand picked, high performance vehicles. All high to stature, low in mileage. And all meticulously serviced and valeted by factory trained personnel prior to delivery. Here's this week's register.

POPSCHE

Ian Anthony Sales (Knutsford) Limited. King Street, Knutsford, Cheshire. Tel: 0565 52737

1979 928 Automatic. Guards Red, Black/White Interior, all usual refinements, low mileage. 1979 Model 928 Automatic. Minerva Blue metallic. Cork interior,

4,000 mlles, superb condition, side rubbing strips. 1978 911 SC Sport Targa. Petrol Blue with Cork interior, only

6,000 miles: e fine example.

Low milage, late model Porsches, all models urgently required for cash.

> Ian Anthony (Sales) Limited, Glassmer House, Walmersley Road, Bury Tel: 061-761 2221/2/3

1979 BMW 3231. Ceshmere Metallic, Beige interior, manual sun roof, tinted class, PAS, pop-out rear side windows, alloys, dalivery mileage only.

1978 BMW 320. Iberien Red, Bleck interior, timts, 10,000 mlies 1977 (T) BMW 3201 Resede Metallic, Beige cloth interior, tints, stereo, 13,000 miles only, full history:

1978 (T) DAIMLER SOVEREIGN 4.2 Automatic, White, Red leather interior, Black vinyl roof, stereo, fogs, 8,000 miles

1978 (T) JAGUAR 4.2 Automatic, White, Biscuit hide interior, PAS, stereo, 3,000 miles only. Absolute bargain:

1979 MERCEDES 450 SEL. Astral Silver, Black leather Interior electric sun roof, eir conditioning stereo, 1,000 miles only. 1977 MERCEDES 280 CE. English Red. Perchment check interior electric windows, stereo, air conditioning, tints, C.Lock, 11,000 miles only, one owner.

1975 450 SEL. White, bloa leather, air cond., electric sucrool. radio / stereo. £12,250, 1977 450 SE. Metallic Milao brown, Grown leather, all cond., 9,900 miles. £17,250. 1978 450 SLC. White, red leather. air cond., 20,000 miles. £17,250. BMW and

1977 350 SE. Metallic all-ver, blue velour, sunroof, headlamp wipers. £15,250. 1976 280 E W123. Mimp-se, mans scen cloth, 28,000 miles, £9,750. 1977 280 E. Cavenna orange, black cloth, sun roof, alloy wheels, £10,500

1975 280 CE. Metallic blus. blus cloth, electric windows, sinted - Olass. 1977 250. White, black interior, sunrool, tinted olass, radio, £8,750.

1977 200 D. White, blue cloth, Radio, 19,000 miles. 1976 306D Merosdes Autobalm Motorhome, fully equipped, fridos, shower, etc. 19,000 miles, £8,900 Choice of diesels from

All care are fitted with automatic, trabsmission and OAS unless otherwise stated and are covered by our 12, month sugarantes. VOKING

ESHER ROAD.
WALTON ON-THAMES
SURREY.
TEL WALTON ON-THAMES

UNIQUE EXAMPLE V.12 E Type dropheed sports. One owner, under ZZ,000 miles. Spottess and sound, PrimroselBeige leather, wire ,wasels. 60.000. Henley 2914. 28811 450 SLC, Ice Green/Bamboo, Air Cond, Allavs, Elec. Roof, Stereo, Delivery mileage, 1978 T. E25,295, Phase: 0533 374444.

BARKERS OF WINDSOR

MERCEDES

1979 (T) 450 SLC. Icon gold, velour, eir cond, e/roof, alloy wheels, cruise control PLUS heated front seats, heedlight adjustment. 1979 (T) 450 SEL Milan brown, velour, air cond, e/roof. 1979 (T) 350 SE. Mimosa yollow, velour, eir cond, e/roof, Berlin

rempte control radio, sterep. 1979 (T) 350 SE. Metallic silver blue, blue velour, air cond, e/sun-

QUALITY CARS

1978 (T) BMW 525 Automatic. Light green with moss velour, tints, sunroof, radio/steroo, full history. £8,950.

1978 BMW 323i, sunroof, tints, elloy wheels. 1979 (T) Model Porscha 928 Automatic in petrol blue with check velour, eir cond, radio/stereo, 1,150 miles. 1979 (T) MGB GT in red with striped cloth, radio, 1,100 miles,

COLLECTORS CARS

1930 Rolls-Royce 20/30 coupe WITH ONLY 13,500 MILES. Please telephone for details. 1956 Bentley (SI), Mulliner Park Ward 2-door, Continental. Only

Open 10.00 am to 8.30 pm Mon-Fri 10.00 am to 6.00 pm Sat-QUALITY CARS URGENTLY REQUIRED, PLEASE RING NOW

LEASING/FINANCE AVAILABLE

BARKERS OF WINDSOR LTD.

VICTORIA STREET, WINDSOR, BERKS, Telephone: Windsor 57878/9-

ESPADA ENTERPRISES LTD

LUXURY CAR BROKERS

If you are buying a new or used car or even esverel for yourself, Company or practice, please conrect us as we will probably be able to help you.

In these times of strong inflation and £10,000 fords, Paugeots and Volvon, a Bood low mileega luxury cat, several years old, makes very good sense provided that the car has a groven service record etc. There are many well kept Rolls-Royces, for example, manufactured between 1970-1974 that are very good value in the £12,000-£19,000 bracket that make sound investment sense — after all o Rolls-Royce is still a Rolls-Royce and the intengible ownership benefits in terms of etatus, corfressional ecceptance and client confidence that accurate from driving a Rolls-Royce apply regardless of the car's see. Espada Enterprises slways have four of five good oped Rolls-Royces on our books as well as Ferraris, Mercedes-Beaz and Celmiers, etc., htat we edvertion each week.

With the current checkle delivery situation on new luxury dars which in turn feature a strong " premium" market, it is confusing to ear the least to know whether to buy now end psy a premium or wait at the bottom of the declar's list and hops for the cituation to improve. Through our own contacts, we are objet to obtain hard-to-gat models for immediate or short term delivery. For exemple, at present for 7 day delivery we offer.— Series III Jeguar 4.2. White, Red leather, oir cond., delivery mileane.

Sories III Jaguar 4.2. White, Biseuit Valour, eil cond., olloy whaels, elac. mirrois, radio/stereo. Gollvery milesge. £14,950
Mcroedes-Benz 450 SLC. Metallic Silver, Green Parchiment hide, oil extras, incl. wash/wipe, oir cond. end elloy wheels, delivery milesge. Also available: New Porsche 928, 450 SEL, Silver Shadow II.

"ANNANDALE," North End Road, London NW11 01-458 8669

WANTED URGENTLY

MERCEDES-BENZ

Exceptional leasing terms

BMW 1979 Saries 635. Palaris/bise bide, alec. Africof and door shirrors, whether, radioisteres, 7,000 miles, 1978 Alpina 635. Silver/bise velour, Full specification including 240 bio engine, 5-apeed compatition box. 7in/19in, wheels with PZ tyres, all cools, etc. agreed, etc., 13,000 miles. ec. 13,000 miles.

1979 533 Aufo. Horns Red/Waisbeige hide, elec. s/roof, and door
mirrors. wiwher, spoller, pariolstereo. 390 miles.

1978 (T) 633 Aufo. Stackined hide,
air cond., bein electric unitrors,
wiwice, radio/stereo, 3,000 miles.
£15,050. 515.050.

3977 Surjest SX3 minumal, Blackly black not. Makie whoels widle; st. 19.000 miles. \$12,750.

1978 T 7231 Auts. Whiteither velour, metal alvoort, slet. whoels, radio, 5.000 miles. £13.950. 1978 733f Auto. Arctic blue/gray velour, elec. windows, 11,000 miles, £12,750. 1978 7331 Auto. Reseda green/ beige vetour, air cond. Mable wheels, elec. windows, radio/stereo, 0.000 kilometres, left hand drive. \$10,950. 1378 Series 730 Asto, Polaris silveriblus velour, metal sun root; central locking, radio/sterso; 14,000 miles. £11.450. 1978 (T) 728 Asto. Polaris/blos vel. metal s/roof, t/olsss, c/locking. twin ciec. door mirrors, radio/ stereo, 6,000 miles, £11,350.

1978 Scries T Reg's) 728 Asto. Flord blue/blue velour, elec. stroot. Alpina wheels, B,000 miles. \$10,950 and \$10,9 1978 728 Manual. Mec. ruby/grey-velour, tolass, clocking, 9,000 pites. £9,995. 1977 3.3 LIA. Anthracite/black hide, full neet., including air cond., 28,000 miles. £8,450. 1977 (5) 3.0 LA. Metallic tops: beige velour, metal s/roof, Alpine wheels, flokss, radio, 14,000 miles. £7,950.

1977 3.0 LA. Flord blue/grey velour. Voless, radio, 14,000 miles. £7,450, 1979 8.0 51. Golf yallow/black velour. metal s/roof. t/glass, allow wheels, radio, 29.000 miles. 55.950. 1977 (S & R) 525 Manual. Choice met. ruby or met. blue. Soth with metal stroof, 1/01ass, etc., and low milesgs. From £6,850.

1970 (Series) 520/8 Auto. Black/ black velour. OAS, metal stroof, t/olas, radio/stereo, 1.000 miles. 68,350. 1970 020/0 Auto. Flard bluefbloe velour. PAS. elec. stroof, tiplass. radio/stereo, 12.000 miles. 57,995. 1970 (T) 520/8 manual. Amazonitei black vel., metal s/roof, Afgina-wheels tiolass, radio/stereo, 11,000 miles. £7,795. 1979 523i. Choice Reseda/Kashroir or red. Soth very high apecification and nominal polleage. From £5.409.

1979 320/6 Manual. Fjord/bitte-cloth, motal siroof. alloy wheels. t/oless. radio/stereo, etc., 5,000 mHes. £6,995. 1977 (S) 320. Fjord blue/blue cloth, radio/stereo, 5,000 miles.

1977 IS & R) 320 Auto. Choice Reseda. Madeira. Polaris. All very low mileage. From £4,995. **MERCEDES-BENZ**

1979 450 SLC. Astral silverible velour, air cond., elec. sirool. ailor wheels, cruise control, radioistand 1,400 miles. 1978 450 SLC. Sliver greenimoss relour. Air cond., elec. siroof, allori wheels. I.s. diff., sett-levolling suspectivise control, radio/steren, etc., 11.000 miles.

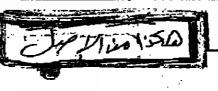
1976 (R1 450 SLC. Silver green) moss vel., olec, roof, str., 17,000

185 HUNTINGDON STREET Tel: Nottingham (0602) 582831 Open Sundays 9 - T

EW PORSCHE 928, Petrol Blue, Auto-matic, Alt-Conditioning, Delvery Jane. 1979, Offices to Mm. C. Dixon; Office 01-668 6252; Home 01-397 7210. LEASING A MOTOR CAR?—Consult the superist virtually any car available for carly delivery, on our anique leasing schema. Call Equity Lensing. 681-792. RANGE ROYER WHITE APRI 1977

24.000 miles. Man. Directors second car from new. 5.2000 worth or settle including luli option pack. 5.3.4 and conditioning, over-drive. 5.3.4 and many more. Maintening town bar, 50.000. Tel 992 654 487.

OI aller 8 O.m. 840 6543.



39 25 35

Financial Times Monday May 21 1978

HOTELS AND
Borel (1) Fr.100 £16
Inty Great Walker 50 95
Int. Comfort Int. 100. 35

INDUSTRIALS (Miscel.)

A member of the Inchespe Group

Lord Carrington and Vance seek new Rhodesia plan

BY MARTIN DICKSON, AFRICA CORRESPONDENT

crucial talks in London today basis exists for a new, joint whether sufficient Rhodesia-amid mounting pressures for the lifting of sanctions. joint approach to Rhodesia. It will be the first meeting between Lord Carrington, the Foreign Secretary, and Mr. Cyrus Vance, the U.S. Secretary Cyrus Vance, the U.S. Secretary The British Government, of State, since the general election. The two will discuss a to renew sanctions in November the Strategic Arms Limitation Treaty (SALT) and the Middle

The framework of two years settlement. of joint strategy on Rhodesia— Sir Ian Gilmour, the Lord revolving around the Anglo-Privy Seal, said on Friday that American settlement proposals the Government would be

the past month. tations" with the Bishop by
The first is Rhodesia's interLondon hased diplomats. Hownal settlement election, which ever, it is possible the Govern-will lead to the installation of ment will decide before long a new black-led Government, to place a permanent repre-under Bishop Abel Muzorewa, sentative in Salisbury. at the end of this month. The second is the Conservativa for its part, ramains opposed Government which is far more to the internal settlement hnt sympathetic to the internal now faces strong Congressional settlement than its Lahour pre- pressure to lift sanctions. The

Wheal Jane

poses tough

choice for

Sir Keith

By Hazel Duffy and Paul Cheeseright

nver three years.

aid to industry.

ome way to clarify how he in-

tends to interpret his "free-

market" philosophy at a time when he is also under intense

pressure from the Treasury to

cut the cost of Government

He is expected to expand on

the Government's , industry

policy today when he speaks in the dehate on the Queen's

Speech, which gave only a

hroad policy outline on plans

for the National Enterprise

Board and the denationalisa-tion of certain assets.

Sir Keith has on his desk

the Industrial Development

Advisory Board that Govern-ment assistance should be

The project would qualify for selective aid under Sec-tion Seven of the 1972 Industry Act, which is con-cerned in particular with the

creation and maintenance of jobs. The Bill for selectiva

aid in this category is running at some £50m annually.

undertaken hy Rio Tinto-Zinc, tha biggest of the London

mining finance houses. RTZ earlier this year agreed to back a rescue plan, initiated by Mr. Robert J. Sprinkel, an

merican. It is now more than a year Gold

Consolidated

Fields stopped production at

the mine. Since then, the Department of Industry has

paid for the pumping needed to keep the mine dry,

pending a decision nn its future.

Pumping has so far cost about £800,000. The accumu-

lating expense has heightened the anxiety of the Depart-ment to see the Wheal Jane

position finally resolved. Last

year it was making the pumping commitment on a

mouth-by-month basis, but

latterly, it has agreed to meet

If Sir Keith approves aid

only day-to-day costs.

Funds would be committed to an exploration project,

provided to Wheal Jane.

recommendation from

Lord Carrington and Mr. which will determins whether a Vance will have to determine ground now exists for their

Opinion

wide range of issues, including would split the Tory party, the Strategic Arms Limitation seems intent on a diplomatic Treaty (SALT) and the Middle course designed gradually to East, but Rhodesia will be by swing international opinion far the most pressing problem behind the Muzorewa Governfacing them. ment building on the internal

revolving around the Anglorevolving around the AngloAmerican settlement proposals
—has heen undermined by three
important developments during important developments during important developments during important developments. How-

The Carter Administration, pressure to lift sanctions. The in a lifting of sanctions.

Senate voted last week by a In a foretaste of this, a delesurprisingly large 75-19 gation representing the High comment, Page 16.

Government installed.

said that he will reply by mid-Juna to the so-called Case- In view of t Javits amendment, under which be is required to lift sanctions if he determines that the new Rhodesian Government has been chosen by free elections.

If Mr. Carter rules against

the Muzorewa Government, he will face a confrontation with the Senate. In the House of Representatives, support for and against sanctions appears about evenly matched, but the House could follow the Senate's lead, move clearly towards an anti-sanctions majority and force the President to lift the

embargo. Thus, from opposite ends of the political apectrum, and for different raasons, the Governments seem to being thrust towards some common ground on Rhodesia—and possibly towards a joint initia-

ve. Each clearly prefar to act in tandem, is seen in Whitehall as symptonot least because of the international repercussions involved ment's strong views on the issue, in a lifting of sanctions. Salisbury claims guerrilla

THE FOREIGN Ministers of U.S. senate for a lifting of majority for the President to Commissioners of Common Britain and the U.S. open sanctions. the wealth countries in London will is see Lord Carrington this week to urge him not to recognise the Salisbury Government or

In view of this strong opposi-tion, there is a widespread belief that the Conservatives intend to wait until after the Common wealth Conference in Lusaka in August before announcing any decision on sanctions.

The Government will weigh carefully the likely reaction of Nigeria, the political and economic giant of black Africa, which has already declared that any removal of sanctions would be regarded as a deliberate challenga to that continent.

Recall

In a previously unreported development, the British Govern-ment recently had to recall to after the Nigerian Government made clear he was no longer welcome. Although not directly Government would related to Rhodesia, this mov matic of the Nigerian Govern-

Basnett gives warning on 'back-door' wages policy

BY NICK GARNETT, LABOUR STAFF

ANY ATTEMPT by the Govern- Torquay yesterday, will dehate safety valve. ment to restrict public sector a special executive emergency At the same time Mr. Prior wages in order to enforce a motion on Wednesday, calling is anxious lest the Clegg awards SIR KEITH JOSEPH, the Industry Secretary, is expected to decide shortly on whether State aid should he made available to rescue the Wheal "hack-door" incomes policy will result in an extremely hostile reaction from trade unions, Mr. David Basnett, general secretary of the General and Municipal Worther, Union Jane tin mine in Cornwall— a venture which could cost the Government about £5m and Municipal Workers' Union, said yesterday.

Mr. Basnett suggested that such a policy could lead, within two years or less, to a confrontation with one or more public sector unions as serious as tha 1974 miners' strike.

Mr. Basnett, one of the archi-tects of the "concordat" erween the unions Labour Government, said moves towards strengthening Government-union discussions on the management of the economy

The unions had been thrown back into fending for them-selves through collective bar-gaining in which they now had to make a 35-hour week their

priority. Conservative policies would orsen unemployment and worsen unemployment and union leaders had to "take worsen action ' to achieve shorter working hours and work-

sharing. union's annual con-

the findings of the Clegg Com-

mission on pay comparability.

It also calls for a change in negotiating priorities to preserve Johs and resist "lagalistic interference" in arrangements hetween unions and employees.

Mr. Basnett said the Govern
Commission may well be kept on in soma form to monitor relative pay levels.

But the TUC, which has started informal talks with Mr.

Prior, is still waiting to see whether his views have the support of Mrs. Thatcher and Mr. Basnett said the Govern-

ment intention to legislate on the closed shop, union ballots and secondary picketing could eventually lead to action in the courts against individual union

Intention

The unions were prepared to talk to the Government but that in the public services. was not the same as offering co-operation. There would be no secretary, will probably meet co-operation with a Government Mrs. Thatcher shortly to discuss which tried to "strangle" the

Christian Tyler adds: The

for resistance to any Govern- to public service workers are ment move not to implement too high. If they are not, the commission may well be kept

The Government's public position is that pay in the private sector will be controlled indirectly vlao nationalised industries refusing extra subsidies for demands, while excessive " cash limits will determine pay

Mr. Len Murray. TUC general pay and industrial relations

The Government is expected danger of allowing public sector to produce private working pay to fall out of line with papers on trade union reform earnings in the private sector is in the next few weeks, but there recognised not only by the TUC is virtually no prospect of tha but hy Mr. James Prior, TUC agreeing to legislative Employment Secretary, who believes a body like the Clegg abop and sympathetic industrial Commission can be a nseful action.

Government may launch broader index to monitor cost of living

BY ELINOR GOODMAN AND PETER RIDDELL

to be considering a new index to monitor the cost of living. The index, which would be published alongside the existing Retail Prices Index, would show changes in disposable income as well as in prices and would be designed to then show not effect of price increases and tax

Price rises resulting from a switch to indirect taxation would therefore be partly offset against cuts in direct taxation. The idea was mooted by Mrs. Thatcher during the election

campaign and has been under discussion within the Tory Party for some time. Officials have now been asked to examine its practicality.

Though there is no question of abandoning the existing RPI, there is increasing concern

THE GOVERNMENT is believed off under a Conservative Government if this index is showing a hig increase in the summer.

> The worry is that there is only limited room for expendi-ture cuts in the current year and the kind of income tax cuts, which people were led to expect during the campaign will therefore have to be largely financed by increases in other forms of taxation, like VAT and excise duty. All these could hit the RPI just when the increases resulting from the scrapping of ths Price Commission are hegin-

As it is, Ministers are beginning their review of possible public expenditure cuts from a higher base figure than they had hoped. This is partly due to the commitments to public sector

ning to come through into the

ing Commission on Pay Comparablity and partly to its own actions in increasing the pay of the police and the armed forces at a cost of about £162m in 1979-

On top of this there is the promised up-grading of social security benefits and the commitment in the Queen's Speech to give peosioners a Christmas honus. The size bas not yet been decided but a £10 handout, as last Christmas, would cost over £100m. To restore it to its original real value would mean increasing it to around £22 a

All this increases the amount to be raised from cuta in other programmes, from the sale of assets and from higher indirect taxes if the Government is to cut income tax and public sector borrowing in the Budget on

towards tha re-opening of the mine, it is likely there would be an initial contribution of about the difficulty of persuadpay increases inherited from the up to £2m for the RTZ ing people that they are better last Government via its Stand- June 12.

Accounting firms' request rejected BY MICHAEL LAFFERTY, BANKING CORRESPONDENT

SEVERAL large City accounting firms have called on the London Stock Exchange to play a more active role in the enforcement of accounting standards on quoted companies - but the exchange has replied that the issue is "irrelevant."

which fail to comply with importance." standards in their accounts. Among leading firms which flout accounting rules are
Deloitte Haskins and Sells,
Whitney Museus Cooks Whinney Murray, Coopers and Lybrand, Arthur Andersen, Lybrand. Price Waterhouse and Peat Marwick Mitchell.

sions to the Accounting ment would be achieved." Standards' Committee, the rulemaking hody on accounting, in

response to a discussion paper. Coopers and Lyhrand favours apecial enforcement arrange-It believes that auditors them- ments for listed companies since Industry. selves should handle companies "they are of greater public

The company calls on the ASC Among leading firms which to encourage the Stock want the Stock Exchange to he Exchange "to develop some

> The Stock Exchange mst with mora outspoken comment from Deloitte Haskins and Sells: "If the exchange seriously enforced the terms of its listing agree- visws are in sharp contrast to

real productions to the first of the production of the first of the f

Whinney Murray states

dards should enforced for listed companies by

Price Waterhouse says the Exchange should take a more accounting principle, and once it active role in monitoring the application of standards.
Peat Marwick Mitchell suggests that the Stock Exchange might be encouraged to make public statements in appropriate cases where it disapproved of

certain practices."

The big accounting firms'

The views come in submis- ment, more effective enforce- the views taken by the Stock Exchange about its role. "It is our belief that standsimply that accounting stan- ards should be recognised, dards should be rigidly accepted and implemented

all those involved in by the Stock Exchange and the the preparation of financial by the Stock exchange and the Council for the Securities statements. Once it is recognised that each standard has been drawn from accepted is recognised that standards express what is generally held to be hest accounting practice, we believe they will recommend themselves."

The accountancy profession, the Stock Exchange declares, is the only hody in a position to Lisbon F 18 81 Zurich C 23 73 decide whether standards have been complied with.

peace talks resume

By Andreas Hadjipapas in Nicosia

THE AGREEMENT between Greek Cypriot and Turkish Cypriot leaders to resume formal peace talks next month after a break of just over two years is regarded as and a promising step forward.

But it has not solved any of the basic questions of substance that constitute the "Cyprus problem," and major differences between the two sides remain. As Dr. Kurt Waldheim, the UN Secretary-General, said after announcing the agreement: "I am not a prophet. I cannot tell what will come out of the new intercommunal talks. But I saw goodwill and I hope this will help."

Difficult

The 10-point document was agreed after Dr. Waldheim spent 14 hours in "extensive and sometimes difficult" discussions with President Spyres Kyprianon and the Turkish Cypriot leader Mr. Rauf Denktash on Friday and Satur-

Denktash on Friday and Saturday. It was an unexpected breakthrough in that all previous efforts to end the deadlock had failed, mainly because the two sides could not find common ground.

Dr. Waldheim and the two Cypriot leaders described Saturday's agreement as "important" and a "good basis" for future talks. They indicated, however, that neither side had shifted in its attitudes and positions. Yet they tudes and positions. Yet they strictly adhered to, efforts to reach a compromise solution

the talks will resume on June 15 in Nicosia, and will he carried out "in a continuing and sustained manner, avoiding any delay." This is a departure from the past, when rounds of talks were held every few months, usually in

Guidelines

drawal of foreign troops. the most important question

sides are wide apart. Feature, Page 17

UK TODAY RAIN will spread from aouth-

west to most parts during the day, followed by sunny intervals

Mainly dry at first, showers later. Max. 16C (61F). Cent. S., S.W. England, Midjands, Channel Isles, Wales Cent. Rain at first, showers and

Lakes, N. England, I. Of Man, Scotland, N. Ireland, Orkney, Shetland

Cyprus

ICI is likely to be the odd man out among the world chemical majors. While most of its rivals have been enjoying a sharp surge in first-quarter profits, ICI has been battling with the side effects of the UK lorry drivers' strike. This cost the group maybe £15m and City analysts are reckoning that first quarter pre-tax profits could dip from £112m to £100m or so.

When it announces its first

quarter figures later this week,

profits outlook signifi-

level) and there is likely to be

ICI has been spending con-

siderably more than most other

big chemical companies over

£100m in 1979 and altogether

working capital might rise by

over £200m. This will pre-empt

a large slice of the increased cash flow likely to he generated

this year thanks to higher

At the moment the group's

gearing is still below the end-1975 level, but profits need to

ould cost the group

another large cash outflow :

The group's second quarter should be much hetter, but from there on the picture looks rather confused. There are two prob-lems. First, no one is sure whether the receot npturn in volume reflects genuine demand or simply precautionary stockpiling ahead of further price increases. And second, it is far from clear whether the chemical companies will be able to pass on all of their higher raw

material costs in higher prices. For ICI the answers to these questions are important not only hecause they affect the

cantly but also because they hold the key to whether or not the company will return to tha equity market for capital over the next couple of years. ICI last had a rights issue in May 1976 raising £200m. Prior to that it had not heen to tha equity market since 1961 and

had generated internally some 90 per cent of its total capital spending in the previous decade. Yet over the last couple of years its fixed asset spending has risen sharply while the group's profits have been declining. In 1978 it generated 66 per cent of its total requirement and there was a decline of \$157m in liquid believed that if the paper was was a declina of £157m in liquid resources. This year capital spending is running at £800m would be made easier.
The document states that or so (over double the 1975-76

The talks, the communiqua says, will he based on guidelate President Makarios and Mr. Denktash in Fehruary 1977, and the UN resolutions relating to the Cyprus question. The guidelines provided for an independent and bicommunal republic, while the UN resolutions call for the return of refugees to their homes and the with-

On the constitutional issue, to he tackled will be the powers of the central government vis-a-vis the powers to be vested in the two regional administrations. Here the two

Weather

S.E. and E., Cent. N. England

sunny intervals later, Max 15C (59F).

Dry at first but rain spreading from south later. Max 15C (59F).

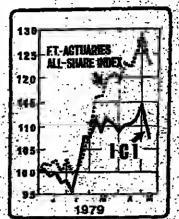
Outlook: Suony intervals and showers, heavy at times in N. WORLDWIDE

	Ajeccio	S	19	66	Locamo	C	20	68
1	Algiers	S	21	70	London	R	12.	54
	Amadm.	R	16	61	Los Ang.	. R	17	63
	Athans	CSGF	21	70	Luxmbg.	CCSS aCSCCCSR	18	
	Bahrain	S	35	95	Madrid	C	17	63
	Sarcina.	C	18	61	Majarca	S	18	83 64 70
Į	Beirut	F	22 11	72	Malaga	Š	27	70
1	Ballest	С	11	52	Malte	ā	24	75
	asigrd.	\$	27	81	M'chstr	ĉ	74	57
1	Berlin	Ċ	20	68	Melbne.	Š	17	75 57 63 67
	Siarritz	Č	13	55	Mex. C.	č	19	67
	8mghm.	CSCCRFRCR	27 20 13 10	50	Matreal. Moscow	Č	18274417192042929510	RΩ
	Slackul.	F	15	59	Moscow	č	54	×
	aords.	Ř	10	50	Munich	š	20	64
	Boulgn.	Ĉ	iš	84	Nairobi	Ř	23	72
į	Bristol	Ŕ	10 18 11	52	Napies	ë	35	77
١	Brussala	ĉ	78	54	Nwcsti.	Ë	10	ξή.
ł	Sudpst.	Ë	29 15	84	N. York	č	15	68 75 84 73 77 55 59 E
Į	B. Aires	Š	75	59	Nice	Ř	15 14	~,
	Calro	SACFUSCS	29 13 18	82	Onorto:	ä	43	26
ı	Cardiff	ř	44	能	Oporto	CSCSSSSF	13	翠
1	Cas b'ca	ž	12	2	0310	2	14	3/
1	Cape T.	Έ.	10	2	Paris Perth Pragus	D.	24	<u>≃</u> :
ı	Chicago	ĕ	18 20	쯂	Perana	3	18	24
ı	Colors	ž	18	64	Prague	8	20	*
ı	Cologna	ž	10		Reykivk.	5	_0	21
	Cpnhgn.	5	14	21	Rhodes	Ţ	ZZ	72
ı	Corfu	S	25 10	<u> </u>	Rio J'o Rome Salzbry.	Š	28	83
ı	Oublin	F	10	20	Kome	S	26	79
ı	Obrvnk.	ş	26	70	Salzbrg.	\$ \$	31	88
ı	Ednogh.	F	16	01	IOUNGER	ş	27	89]
١	Faro	5	15	64	Stokhm. Straabg.	8	15	59
1	Frankft.	Č	. 50	58	Streebg.	Ç	20	68
ı	Funchal	SFSCCC	18 20 18 18	64	Sydney	Č	15	67
Į	Geneva	С	18	51	Tangier	F	17	63
Į	Gibrltt.	S	20 15	68	Tehran	6	24	76
1	Glaspow	а	15	59	Tehren Tel Aviv	SF	23	73
١	G'Inggy	R	9	48	Tenerile	F	17	63
Į	H. Kong	S	27	80	Tokyo	S	23	73
i	nnsbrk.	F	9 27 28	82	Toronto Tunis	SF	17	63
Į	nvrnss.	F	74	2/	(6147)	F	23	73
١	istanbui	C	19	86	Valencia	S	20	58 I
I	Jarsey	R	10			Š	23	73
1	Jo'burg	Ŗ	19 10 19	66	Venice Vienne	5	13417826 22826 3715 2015 17425 1725 2723 2826	55554652472878888856787676767878
		=			4 IDIIIII	_	_	

Cash flow is the

THE LEX COLUMN

key at ICI



executives will be uncomfortably aware, the capital spending budgets will have to be trimmed back further).

The reassuring thought for a stock market edgy about big-rights issues is that ICI prides itself on getting its market timsignals are now unfavourable, after a phase of serious relative underperformance by its share price. At the time of the last rights issue the shares yielded a percentage point helow the market. Now they yield 2 per cent ahove.

Gilt-edged

The gilt-edged market has grown used to a pattern of activity in which the bulk of the Government'a sales of stocks have taken place on a term found may each year. Often very few days each year. Often, in fact, it has taken a rise in Minimum Lending Rate or even a fully fledged "package" of economic measures to get the action going. Fund managers have been able to sit back in a relaxed frame of mind during market slides—the so-called investment "strikes"—in the knowledge that the bells would ring very loudly at the bottom. Not only would the sleepiest gilt-edged investors be aroused on these occasions, but the authorities would he so desperate to fund that they the last year or two. But its. capital spending should start to tail off next year, parily as a result of trimming amhitious

plans. However, the loker in levels to replace any that ran activity close to each peak of interest rates. The gilt-edged market has come to behave quite differently from the equity market, where by and large fund managers have been reluctant to let liquidity build up substantially during hear phases

But gilt-edged buyers have come to realise that the presence of a massive supplier of stock

near market troughs the Government has means that there is less risk in waiting until after the bottom has been reached then in trying to guess, on the way down, whether 12, 13 or 14 per cent would be the peak for

But nothing lasts for ever, and the latest Monetary Bulletin from brokers W. Greenwell warns that glit edged tactics in a hear market may now have to be altered radically. The reason is that the old system finally reached its counter-productive limit of predictability in February, when a new issue was oversubscribed on an embarrase ing scale. Everybody, including not a few foreigners, had mastered the system and the game had to be changed. The adoption of a partial tender, system for new gilt-edged issues means that investors can no longer be sure of obtaining a new issue at a price which is close to the bottom of the

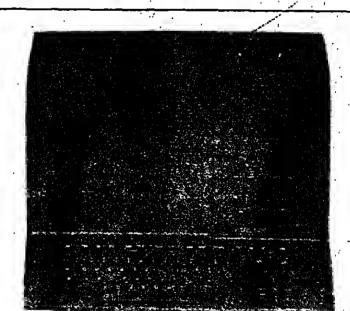
Greenwell also suggests that the authorities may accept, at last, their much proffered advice on tay tactics, and start to be much bolder. Investors could then no longer be confident that the G.B. would sell off the remainder of a tap at a low price.

It looks as though in future investors will have to be prepared to nibble during bear markets, and keep their liquidity at lower levels than has been justifiable at times in

Given its recent problems it is not good enough that Spillers should disclose so little about its operations in its annual report, published today. It is still providing no more than its traditional profits split between human and non-human would produce at least one new between tap stock near the peak yield foods.

It is a reasonable target that tha pack is working capital. out. The Duke of York's hill a company should disaggregate.

The rise in naphtha prices alone had a plateau at the top of it its results into five or six segtemporary hursts of funding holders in Spillers will want to know about the returns in milling, about Mario and Franco restaurants (which have been doing well and may be covering up weak figures in food manufacturing) and the U.S. acquisi-tion Modern Maid where both operating profits and profits (losses?) after attributable interest charges should be disbecause they have had no conpick up smartly if it is to be fidence in their ability to get kept at current levels (or, ICI's back in near the bottom. closed.



The best-selling full-page display word processing system in the world. Yes, in the world.

How have Vydec Word Processing Systems achieved this enviable position? Vydec pioneered the full A4 page display back in 1974, when most systems were giving typists only partial-page displays, not the total picture. And how has Vydec kept the lead in full page display word processing systems:

As Times Top 1000 companies and busy solicitors' practices affice have discovered, Vydec Systems can save money by automating most. office typing tasks. These same businesses have found that their secretaries can

Which is why company after company has returned to buy

master Vydec in hours, not weeks. And that Vydec Systems can be introduced without disrupting normal office procedures. And they've seen how Vydec Word Processing Systems are accepted by their staff and bring more job satisfaction with an increase in typing efficiency and productivity.

more and more Vydec Systems. And that, in turn, has made Vydec the best-selling full page display word processing system in the world. Yes, in the world. Getting more information on Vydec Word Processing Systems is just as easy and efficient as Vydec itself. Just diai 01-834 9070 or clip this advertisement to your



VYDEC UK LTD: Borax House LONDON SWIP IHT Telephone: 01-834 9070

Sales and Service throughout the United Kingdom.

